# Broadcasting Policy Monitoring Report 2003

Radio
Television
Broadcasting Distribution
Social Issues
Internet

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# Introduction

This is the fourth edition of the CRTC's Broadcasting Policy Monitoring Report, the 2003 version continues to measure the evolution of the Canadian broadcasting system. The Broadcasting Policy Monitoring Report was developed to provide an on-going assessment of the impact of CRTC regulations, policies and decisions[1] towards the achievement of the objectives of the *Broadcasting Act*. As in the past, we hope that this report will help to foster a more open and better-informed public discussion of broadcasting policy in Canada. The Commission invites parties to use the report to enrich their participation in our regulatory policy and licensing proceedings.

The 2003 edition updates the performance indicators and continues the trends outlined in previous reports. In addition, the 2003 report reviews the program signal theft issue and the Commission's role in resolving competitive disputes. A comparison of the viewing to, and scheduling of, both English and French-language Canadian drama/ comedy programming across the Canadian broadcasting system between 1993 and 2002 is also provided.

The data and information used as the basis of the CRTC's policy monitoring is drawn from many sources. These sources include (1) information filed by participants in the normal course of the Commission's hearings and public proceedings; (2) information obtained from Statistics Canada; (3) audience measures from the Bureau of Broadcast Measurement (BBM) and Nielsen Media Research; (4) the Annual Financial Returns filed by CRTC licensees; (5) programming information filed as part of licensees' television logs; (6) the Commission's ownership records and radio compliance monitoring results; and (7) publicly available information, such as annual reports from publicly traded companies, CRTC decisions and public notices.

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[1] *New Regulatory Framework for Broadcasting Distribution Undertakings*, Public Notice CRTC 1997-25, 11 March 1997;
*Commercial Radio Policy 1998*, Public Notice CRTC 1998-41, 30 April 1998, (the Commercial Radio Policy);
*New Media*, Broadcasting Public Notice CRTC 1999-84, 17 May 1999, and Telecom Public Notice CRTC 99-14, 17 May 1999;
*Building on Success - A Policy Framework for Canadian Television*, Public Notice CRTC 1999-97, 11 June 1999, (the Television Policy);
*Ethnic Broadcasting Policy*, Public Notice CRTC 1999-117, 16 July 1999;
*Licensing Framework Policy for New Digital Pay and Specialty Services*, Public Notice CRTC 2000-6, 13 January 2000;
*Campus Radio Policy*, Public Notice CRTC 2000-12, 28 January 2000;
*Community Radio Policy*, Public Notice CRTC 2000-13, 28 January 2000;
*A Policy to Increase the Availability to Cable Subscribers of Specialty Services in the Minority Official Language*, Public Notice CRTC 2001-26, 12 February 2001;
*Licence Renewals for the French-language National Television Network TVA and for the French-language Television Programming Undertaking CFTM-TV Montreal*, Decision CRTC 2001-385, 5 July 2001;
*Licence Renewals for the Television Stations Controlled by CTV*, Decision CRTC 2001-457, 2 August 2001;
*Licence Renewals for the Television Stations Controlled by Global*, Decision CRTC 2001-458, 2 August 2001;
*Achieving a better balance: Report on French-language broadcasting services in a minority environment*, Public Notice CRTC 2001-25, 12 February 2001;
*The distribution of the proceedings of the House of Commons on CPAC*, Public Notice CRTC 2001-115, 6 November 2001;
*New licensing framework for specialty audio programming services*, Public Notice CRTC 2002-53, 12 September 2002;
*Revised lists of eligible satellite services*, Public Notice CRTC 2003-43, 5 August 2003;
*Practices and procedures for resolving competitive and access disputes*, Public Notice CRTC 2000-65, 12 May 2000.

The CRTC is in a unique position to cross-analyze the television logging information and BBM viewing data, thus being able to track the level of viewing to Canadian programming across the Canadian broadcasting system.

The report is sub-divided in six sections: Overview, Radio, Television, Broadcasting Distribution, Social Issues and Internet.

Interested parties are welcome to provide comments for improvements or additions to future editions of the report and can do so by forwarding them to the attention of the Secretary General, CRTC, Ottawa, K1A 0N2 or electronically at info@crtc.gc.ca.

The Broadcasting Policy Monitoring Report is also available electronically at www.crtc.gc.ca/ENG/publications/reports.htm

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# I. Overview

## A. Diversity of Programming in the Canadian Broadcasting System

Section 3(1)(i) of the *Broadcasting Act* (the Act) states, in part, that the programming provided by the Canadian broadcasting system should

(i) be varied and comprehensive, providing a balance of information, enlightenment and entertainment for men, women and children of all ages, interests and tastes,
(ii) be drawn from local, regional, national and international sources,
(iii) include educational programs and community programs, [...].

To further the above noted broadcasting policy, the Commission ensures that Canadians have access to a diversity of programming drawn from a variety of sources. The following tables provide a summary of the variety of television and radio services that are available in the Canadian broadcasting system. A table summarising the number and types of Canadian broadcasting distribution undertakings is also provided.

Table 1.1: Canadian Television Services

| | English Language* | French Language | Third Language | Total |
|---|---|---|---|---|
| **Canadian Conventional (Over-the-air):** (1) | | | | |
| National Public Broadcaster | | | | |
| CBC (Owned & Operated) | 15 | 8 | - | 23 |
| CBC Private Affiliates | 12 | 5 | - | 17 |
| Private Commercial | 68 | 19 | 4 | 91 |
| Educational | 4 | 3 | - | 7 |
| Religious | 5 | - | - | 5 |
| Native | 10 | - | - | 10 |
| **Canadian Specialty, Pay, PPV and VOD:** | | | | |
| Analog Specialty Services | 30 | 14 | 5 | 49 |
| Category 1 Digital Specialty Services (2) | 15 | - | - | 15 |
| Category 2 Digital Specialty Services (2) | 31 | - | 10 | 41 |
| Pay Television Services | 5 | 1 | 2 | 8 |
| Terrestrial Pay Per View Services | 5 | 1 | - | 6 |
| Direct to home Pay Per View Services | 5 | 1 | - | 6 |
| Video on Demand Services (VOD) (2) | 9 | n/a | n/a | 9 |
| **Other Canadian:** | | | | |
| Community Channels | 198 | 53 | - | 251 |
| **Foreign:** | | | | |
| Satellite Services Authorized for Distribution in Canada | 74 | 6 | 13 | 93 |
| Total Number of Television Services | 486 | 111 | 34 | 631 |

Excludes rebroadcasters and exempt television services.
*Includes bilingual (English and French) and Native services.
(1) Includes satellite to cable services.
(2) Includes only digital category 1 & 2 and VOD services launched prior to November 3rd, 2003.
Source: CRTC – APP Report 1200 (November 10, 2003) and CBC 2002-03 Annual Report.

## Table 1.2: Canadian Radio Services

| | English Language* | French Language | Third Language | Total |
|---|---|---|---|---|
| **National Public Broadcaster:** | | | | |
| CBC: *Radio One / Première Chaîne* | 36 | 20 | | 56 |
| CBC: *Radio Two / Chaîne Culturelle* | 14 | 11 | | 25 |
| CBC Digital: *Radio One / Première Chaîne* | 5 | 4 | | 9 |
| CBC Digital: *Radio Two / Chaîne Culturelle* | 5 | 4 | | 9 |
| **Private Commercial** | | | | |
| AM Stations | 174 | 19 | 8 | 201 |
| FM Stations | 285 | 79 | 9 | 373 |
| Digital Radio (Transitional) | 26 | 4 | 4 | 34 |
| **Community:** | | | | |
| Type A Stations | 14 | 28 | | 42 |
| Type B Stations | 20 | 19 | 1 | 40 |
| **Campus:** | | | | |
| Community Based | 34 | 6 | | 40 |
| Instructional | 8 | 1 | | 9 |
| **Native:** | | | | |
| Type A Stations | 22 | | | 22 |
| Type B Stations | 44 | 5 | | 49 |
| **Religious (spoken word religious programming):** | 4 | 22 | | 26 |
| **Other** *(Tourist/Traffic; Environment Canada; Special Event)* | 92 | 18 | 4 | 114 |
| **Pay Audio (English and French)** | 2 | | | 2 |
| **Total Number of Canadian Radio Services** | **785** | **240** | **26** | **1,051** |

*Includes bilingual (English and French) and native services.
Excludes rebroadcasters and exempt radio services.
Source: CRTC – APP Report 1200 (November 10, 2003) and CBC 2002-03 Annual Report

Approximately 82% of Canadian households receive the basic service of a Canadian broadcasting distribution undertaking. This table provides a breakdown of the number and types of Canadian broadcasting distribution undertakings.

## Table 1.3: Number of Broadcasting Distribution Undertakings (BDUs)

| | Number of BDUs |
|---|---|
| **Cable** | |
| Cable Class 1 | 140 |
| Cable Class 2 | 104 |
| Cable Class 3 | 1,740 |
| *Sub-total Cable* | *1,984* |
| **DTH** | 2 |
| **MDS** | 34 |
| **STV** | 16 |
| **Total Number of Broadcasting Distribution Undertakings** | 2,036 |

Notes:
1. Source for cable undertakings is the CCTA's 02-03 annual report. This information is of September 2002 and is based on Mediastats databases.
2. Source for DTH, MDS and STV undertakings is the CRTC APP1200 Report run Nov. 6, 2003.

## B. Diversity of Voices in the Canadian Broadcasting System

The Commission's mandate with regard to the diversity of voices in markets across Canada originates notably in sections 3(1)(d)(i), 3(1)(d)(ii) and 3(1)(i)(iv) of the *Broadcasting Act*.

Section 3(1)(d)(i) states that the Canadian broadcasting system should "serve to safeguard, enrich and strengthen the cultural, political, social and economic fabric of Canada".

Section 3(1)(d)(ii) states that the programming provided by the Canadian broadcasting system should "encourage the development of Canadian expression by providing a wide range of programming that reflects Canadian attitudes, opinions, ideas, values and artistic creativity, by displaying Canadian talent in entertainment programming and by offering information and analysis concerning Canada and other countries from a Canadian point of view".

Section 3(1)(i)(iv) states that the programming provided by the Canadian broadcasting system "should provide a reasonable opportunity for the public to be exposed to the expression of differing views on matters of public concern".

The Commission implements the above noted policy in its various policies and decisions. For example, in the Television Policy, the Commission continued its policy which generally permits ownership of no more than one over-the-air television station in one language in a given market. This policy assists in providing a diversity of voices in a given market.

In the Commercial Radio Policy, the Commission sought to strike a reasonable and acceptable balance between its concerns for preserving a diversity of news voices in a market, and the benefits of permitting increased consolidation of ownership within the radio industry.

In the Licence Renewals for the Television Stations Controlled by CTV and Global – Decisions 2001-457 and 2001-458 respectively, and the Licence renewals for the French-language national network TVA and CFTM-TV – Decision 2001-385, the Commission considered that it had a responsibility to ensure that a sufficient diversity of broadcasting news and information voices remains as consolidation continues to take place between broadcasters and related industries.

The following table monitors the evolution of the diversity of ownership and the diversity of programming choices in the 3 largest Canadian cities between 1991, 2001 and 2002. The city of Montréal has been subdivided into two markets, English-language and French-language, based on the broadcast language of the programming service. The table compares the following for each of the markets in each of the years:

- The number of different owners of television services available in the market that broadcast news and public affairs programming along with the total number of such services;
- The number of different owners of radio stations and daily newspapers available in each market along with the total number of radio stations and daily newspapers in the market.

## Table 1.4: Comparison of the Diversity of Ownership and Programming Choices in Montréal, Toronto and Vancouver 1991 – 2001-2002

| | Montréal | | | | | | Toronto | | | Vancouver | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | French-Language | | | English-Language | | | | | | | | |
| | 1991 | 2001 | 2002 | 1991 | 2001 | 2002 | 1991 | 2001 | 2002 | 1991 | 2001 | 2002 |
| **Radio** | | | | | | | | | | | | |
| Owners | | | | | | | | | | | | |
| Canadian - Local | 11 | 14 | 12 | 6 | 6 | 7 | 19 | 22 | 17 | 11 | 11 | 13 |
| Canadian - Other | 1 | 5 | 2 | 1 | 1 | 2 | 10 | 5 | 8 | 4 | 1 | 3 |
| Foreign | | | | | | | | | | | | |
| Total | 12 | 19 | 14 | 7 | 7 | 9 | 29 | 27 | 25 | 15 | 12 | 16 |
| Services | | | | | | | | | | | | |
| Canadian - Local | 15 | 17 | 18 | 9 | 10 | 11 | 25 | 33 | 33 | 20 | 22 | 24 |
| Canadian - Other | 4 | 12 | 7 | 3 | 4 | 3 | 18 | 18 | 22 | 9 | 2 | 6 |
| Foreign | | | 0 | 4 | 8 | 9 | 6 | 10 | 7 | 10 | 14 | 13 |
| Total | 19 | 29 | 25 | 16 | 22 | 23 | 49 | 61 | 62 | 39 | 38 | 43 |
| **Television** | | | | | | | | | | | | |
| Owners | | | | | | | | | | | | |
| Canadian - Local | 3 | 3 | 3 | 2 | 3 | 3 | 6 | 5 | 6 | 3 | 6 | 6 |
| Canadian - Other | 4 | 5 | 5 | 1 | 4 | 4 | 4 | 9 | 7 | | 5 | 6 |
| Foreign | | | | | | | | | | | | |
| Total | 7 | 8 | 8 | 3 | 7 | 7 | 10 | 14 | 13 | 3 | 11 | 12 |
| Services | | | | | | | | | | | | |
| Canadian - Local | 3 | 4 | 4 | 2 | 3 | 3 | 7 | 7 | 9 | 5 | 10 | 9 |
| Canadian - Other | 8 | 13 | 15 | 3 | 14 | 15 | 6 | 19 | 20 | 1 | 12 | 13 |
| Foreign | | | 0 | 6 | 19 | 17 | 8 | 15 | 13 | 11 | 14 | 11 |
| Total | 11 | 17 | 19 | 11 | 36 | 35 | 21 | 41 | 42 | 17 | 36 | 33 |
| **Newspapers** | | | | | | | | | | | | |
| Owners - Local | 3 | 3 | 4 | 1 | 1 | 1 | 9 | 13 | 13 | 4 | 3 | 3 |
| Services - Local | 3 | 3 | 4 | 1 | 1 | 1 | 9 | 13 | 13 | 7 | 4 | 4 |

Notes:

1. BBM Fall sweeps extended market data and CRTC research were used to determine the number of television services providing news and public programming.
2. BBM Fall sweeps central market data were used to determine the number of radio stations available in each market. It was assumed that all radio stations and newspapers available provided news and public affairs programming.
3. Although the number of foreign services is indicated, the number of foreign ownership is not provided.
4. Newspapers include only Canadian daily newspapers published locally. 1991 and 2001 figures have been restated to reflect additional ethnic daily newspapers.
5. Only out of market TV and radio services attracting a minimum of 0.1% audience share have been included.

Between 1991 and 2002, the number of available television and radio services has increased in each of Canada's three largest markets.

Since 1991, a significant increase in the licensing of French and English-language Canadian pay and specialty services has added to the diversity of viewing options of Canadians. In addition, the number of U.S. specialty services available has also increased. Increasing diversity in television ownership is evident in all three markets between 1991 and 2002.

The revised ownership policy in the 1998 Commercial Radio Policy, Public Notice CRTC 1998-41, 30 April 1998, has resulted in a decrease in radio ownership diversity between 2001 and 2002 in the Montréal French-language market and in the Toronto radio market between 1991 and 2002. The number of Canadian radio stations controlled by different ownership available in the Montréal French-language radio market and the Toronto radio market in 2002 were 14 and 25 respectively.

In each of the markets there has been an increase in cross-media ownership between 1991 and 2002. Cross-media ownership is defined as the same owner controlling more than one type of media in the market. Between 1991 and 2002, the number of cross-media owners increased from 1 to 2 in the Montreal English-language market, from 1 to 3 in the Montreal French-language market, from 4 to 6 in the Toronto market, and from 2 to 4 in the Vancouver market.

Not included in the above charts is the on-going development of the Internet and its potential impact on the diversity of voices and information available in markets across Canada. As of March 2003, 68%[1] of Canadians reported having access to the internet.

## C. Advertising Revenue by Media

The following table and pie chart outline the trends in advertising revenues by the different media.

**Table 1.5: Advertising Revenue by Media ($ millions)**

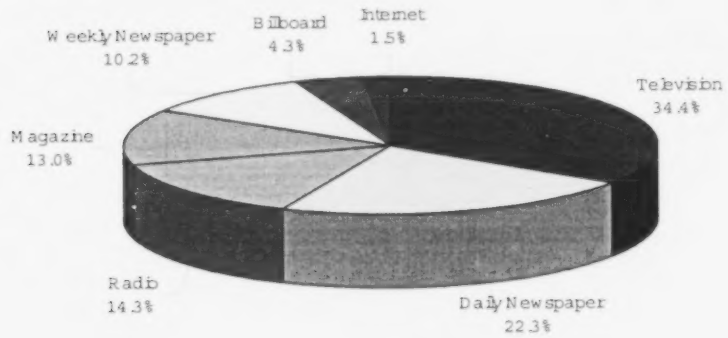
| Media | 1995 | 1996 | 1997 | 1998 | 1999 | 2000 | 2001 | 2002 |
|---|---|---|---|---|---|---|---|---|
| Television (1) | 1,878 | 1,997 | 2,108 | 2,333 | 2,374 | 2,456 | 2,560 | 2,595 |
| Daily Newspaper (2) | 1,323 | 1,399 | 1,644 | 1,698 | 1,734 | 1,951 | 1,891 | 1,682 |
| Radio | 769 | 798 | 848 | 920 | 952 | 1,000 | 1,045 | 1,077 |
| Magazine | 621 | 611 | 647 | 707 | 721 | 805 | 845 | 983 |
| Weekly Newspaper | 615 | 634 | 673 | 765 | 765 | 788 | 820 | 770 |
| Billboard | 167 | 200 | 220 | 246 | 269 | 293 | 310 | 321 |
| Internet | - | 2 | 10 | 25 | 56 | 109 | 142 | 116 |
| Total | 5,373 | 5,641 | 6,150 | 6,694 | 6,871 | 7,402 | 7,613 | 7,544 |
| *% Annual Increase* | *7.6 %* | *5 %* | *9 %* | *8.8 %* | *2.6 %* | *7.7 %* | *2.9%* | *(0.9%)* |

Sources: Carat Expert, Panorama Publicitaire 2001 (1995 -2000); Carat Expert estimates for 2001 and 2002

Notes:
(1) Includes private conventional, CBC/SRC, specialty services, other public, educational, religious and not-for-profit services.
(2) Excludes classified ads.

[1] Refer to Chart 6.1 located in the Internet Section of this report.

Chart 1.1: Share of Advertising Revenue by Media, 2002



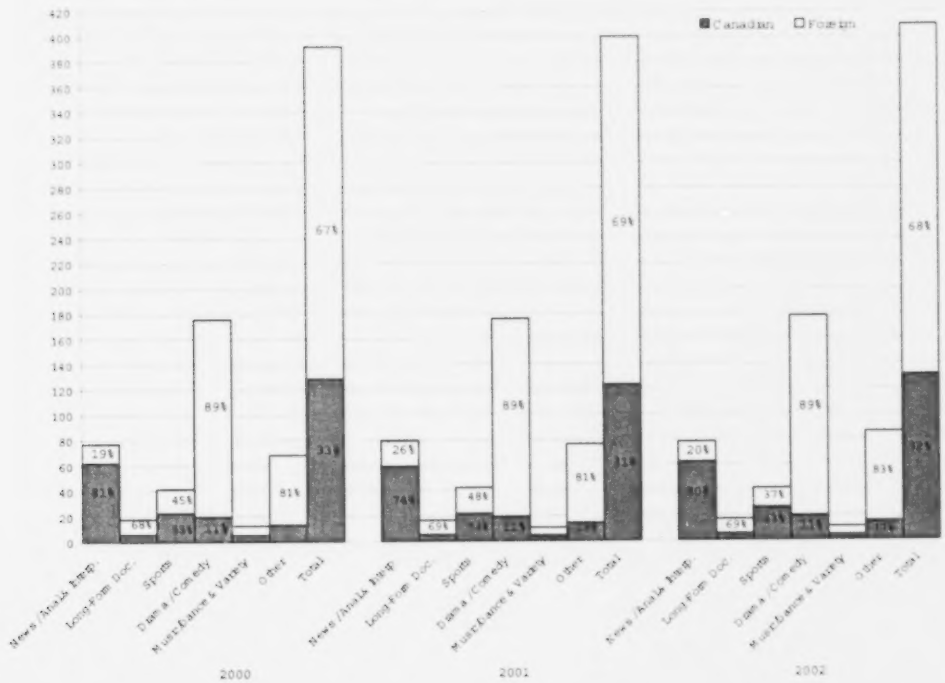

The relative levels of advertising revenue earned by the different media have remained generally constant since 1995. For example, television advertising achieved a 35% share of the pie in 1995, as compared to 34.4% in 2002. Radio's levels have remained unchanged at 14.3% in 2002.

## D. Trends in Television Viewing – Anglophones/Francophones

The following charts reveal the trends in viewing by Canadian anglophones and francophones to all television services available in Canada, Canadian and foreign, subdivided by genre for the years 2000 to 2002. The viewing by genre[2] is further subdivided between viewing to Canadian and foreign programs. The charts are based on BBM and CRTC research data for a 4-week period in the Fall of each year.

[2] Genre, or Program Type based on the definitions set out in the Television Broadcasting Regulations, 1987 and Specialty Services Regulations, 1990. The "Other" program type includes Religious (cat. 4), Educational (cat. 5a & 5b), Game shows (cat. 10), General entertainment & human interest (cat 11), Infomercials, promotional and corporate videos (cat 14) programs.

Chart 1.2: Viewing by English-language[3] Viewers by Program Type
All Canada – All Services (Canadian and Foreign)
BBM Fall 2000 to 2002, 6 a.m. – 2 a.m.
Average Weekly Hours (000,000)




*Excludes viewing to programs where Canadian content and program type could not be identified.*

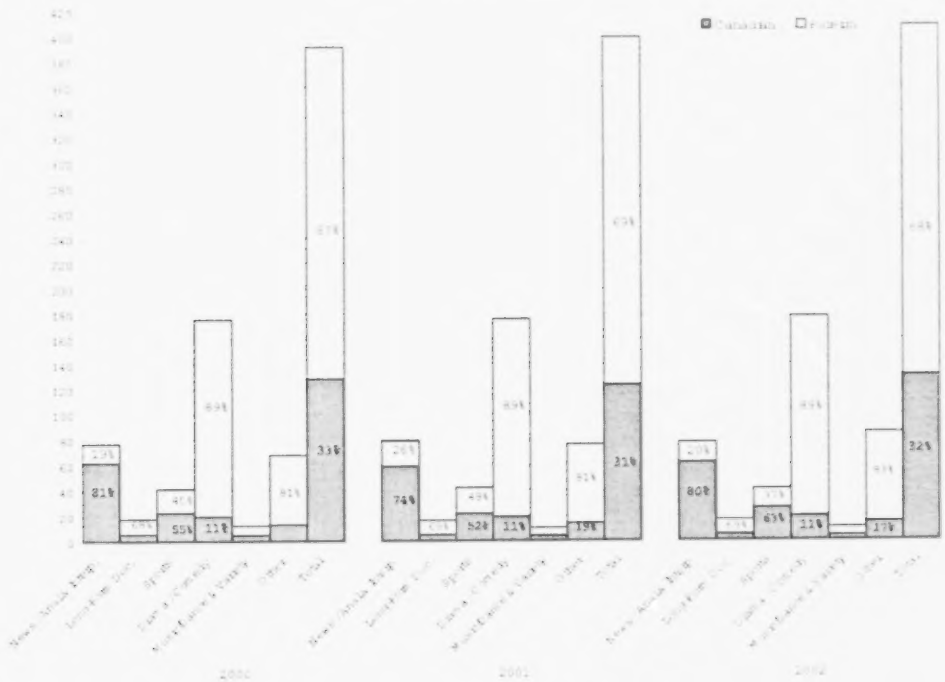
There has been little change to the viewing habits of Canadian anglophones in the past 3 years.

The chart reveals the popularity of drama/comedy programming to anglophone viewers. In each of the years drama/comedy programming is about twice as popular as viewers' second pick programming.

The viewing to Canadian programs by anglophones differs significantly between the genres. Viewing of news and analysis & interpretation programming is predominantly to Canadian programs. In contrast, viewing by anglophones to drama/comedy programming is predominantly to foreign programs. Overall viewing to Canadian programs by anglophones remains unchanged at approximately a third of total viewing.

[3] Anglophone (English-language viewers) – home language is English.

Chart 1.2: Viewing by English-language[3] Viewers by Program Type
All Canada – All Services (Canadian and Foreign)
BBM Fall 2000 to 2002, 6 a.m. – 2 a.m.
Average Weekly Hours (000,000)



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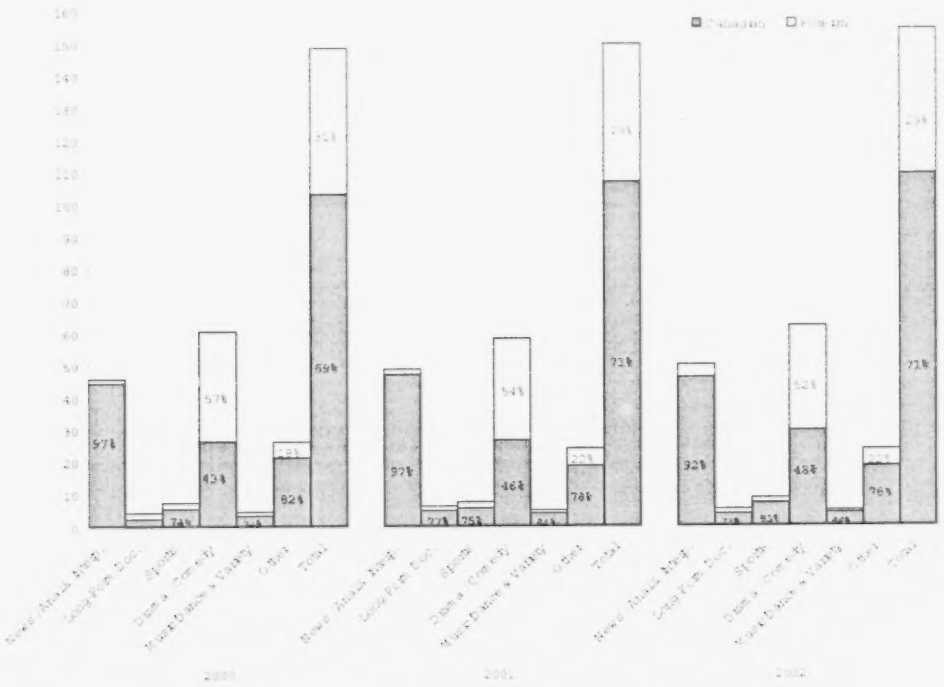
[3] Anglophone (English-language viewers) – home language is English

Viewing to other programming has increased 26% since 2000. Roughly 70% of this increase is due to increased viewing to general entertainment and human interest programming, reflecting the recent popularity of reality style programs. The remaining increase is due to viewing of educational programming.

Chart 1.3: Viewing by French-language[4] Viewers by Program Type
All Canada – All Services (Canadian and Foreign)
BBM Fall 2000 to 2002, 6 a.m. – 2 a.m.
Average Weekly Hours (000,000)




*Excludes viewing to programs where Canadian content and program type could not be identified*

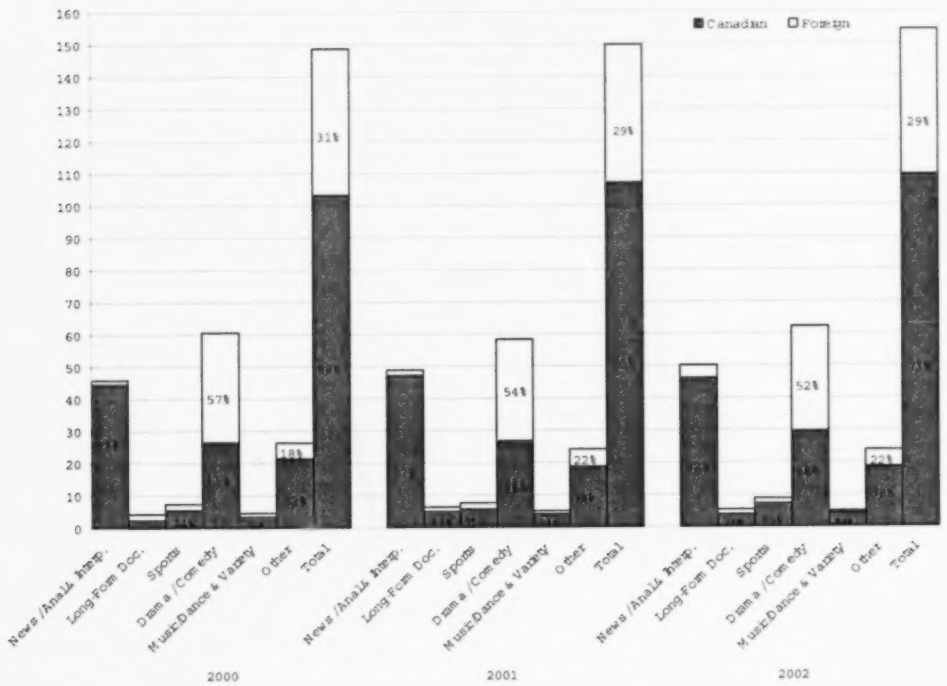
Drama/comedy programming is the most popular genre with francophone viewers, with news and analysis & interpretation programming a close second.

Viewing trends by francophones is predominantly to Canadian programs in all genres, with the exception of drama/comedy programs where the viewing has remained evenly split between Canadian and foreign programs. Overall viewing to Canadian programs by francophones has remained in the 70% range.

[4] Francophone (French-language viewers) – home language is French

Viewing to other programming has increased 26% since 2000. Roughly 70% of this increase is due to increased viewing to general entertainment and human interest programming, reflecting the recent popularity of reality style programs. The remaining increase is due to viewing of educational programming.

**Chart 1.3: Viewing by French-language[4] Viewers by Program Type**
**All Canada – All Services (Canadian and Foreign)**
**BBM Fall 2000 to 2002, 6 a.m. – 2 a.m.**
**Average Weekly Hours (000,000)**




*Excludes viewing to programs where Canadian content and program type could not be identified.*

Drama/comedy programming is the most popular genre with francophone viewers, with news and analysis & interpretation programming a close second.

Viewing trends by francophones is predominantly to Canadian programs in all genres, with the exception of drama/comedy programs where the viewing has remained evenly split between Canadian and foreign programs. Overall viewing to Canadian programs by francophones has remained in the 70% range.

[4] Francophone (French-language viewers) = home language is French.

## E. Competitive Disputes

The Competitive Disputes Team within the Broadcasting Directorate of the CRTC was introduced in 2000 to more effectively process and resolve disputes in the increasingly competitive broadcasting industry.[5] Disputes can generally be categorized as follows: 1) between broadcasting distributors and the programming services that they carry on access issues and the related terms of carriage; 2) between competing broadcasting distributors over access to buildings and the end-user; and 3) between programmers regarding rights acquisition and markets served.

The Commission employs alternative dispute resolution techniques, such as fact-finding meetings, mediation and staff-opinions to attempt to break deadlocks and assist disputing parties to resolve their differences. When this proves unworkable, the Commission can determine on disputes by way of "final-offer" arbitration. These processes are usually conducted on a confidential basis as the matters in dispute often involve commercially sensitive information.

Alternatively, disputes may arrive at the Commission as allegations of undue preference or disadvantage by a party vis-à-vis the actions of another party. In such situations, the complainant seeks a Commission ruling that the given preference or disadvantage has material and serious consequences that are contrary to the public interest for the complainant and/or the Canadian broadcasting system.

### Number of Disputes

*Practices and procedures for resolving competitive and access disputes*, Public Notice CRTC 2000-65, 12 May 2000, noted that parties would generally be required to attempt to resolve their differences through private, third party mediation, bilateral negotiations or some other means before the Commission would deal with the dispute. The intent of the framework was to use the Commission as a last recourse, if the parties proved unable, despite bona fide efforts, to achieve resolution on their own.

As of 30 September 2003, the Commission had received 83 dispute files. The majority of these, 61, were processed by way of the dispute resolution measures set out in sections 12 to 15 of the *Broadcasting Distribution Regulations* (the Regulations). Only two of these disputes ultimately required the issuance of a Commission determination following submission of "final offers" by the parties involved. The remaining 22 disputes involved allegations of undue preference or disadvantage under section 9 of the Regulations.

The average number of days to completion for all disputes was 146 days, with sections 12 to 15 disputes taking an average of 136 days to complete and with section 9 allegations an average of 205 days. When items, of all types, could be concluded without a determination by the Commission (17), an average of 67 days to completion was experienced.

[5] *Practices and procedures for resolving competitive and access disputes*, Public Notice CRTC 2000-65, 12 May 2000.

Utilization of dispute resolution mechanisms at the Commission is increasing. In calendar years 2001 and 2002, 16 and 37 dispute resolution files were received respectively by the Commission. In the first 6 months of 2003, the Commission has received 29 complaint files.

### Types of Disputes

Of the 83 disputes the Commission received between May 12, 2000 and September 30, 2003, 26 involved the negotiation or application of affiliation agreements, in particular the determination of an appropriate wholesale rate, between broadcasting distributors and specialty service providers. Thirteen disputes concerned multiple unit dwellings (MUDs). These involved issues of access to inside wire and/or allegations of breach of winback rules or other perceived unfair marketing practices as well as undue interference with competitive access by broadcasting distributors to MUDs.

More recently, 27 disputes involving a desire for the conduct of audits to substantiate reported subscriber totals or accounting methodology have been received by the Commission. The balance of 17 disputes involved a variety of subject matters including the inability to obtain programming rights (9), channel placement (4) and alleged violations of conditions of licences (4).

# II. Radio

## A. Number of Commercial Radio Stations in Canada

- The following tables list the number of commercial AM and FM radio stations by province over the past 5 years.

Table 2.1: Number of Commercial Radio Stations in Canada
AM & FM – All Languages

| | 1998 | 1999 | 2000 | 2001 | 2002 |
|---|---|---|---|---|---|
| Nfld. & Lab. | 16 | 16 | 17 | 15 | 15 |
| Prince Edward Island | 4 | 4 | 4 | 4 | 4 |
| Nova Scotia | 23 | 22 | 22 | 22 | 22 |
| New Brunswick | 19 | 18 | 19 | 24 | 25 |
| Quebec | 85 | 84 | 82 | 84 | 84 |
| Ontario | 136 | 137 | 143 | 149 | 156 |
| Manitoba | 23 | 23 | 24 | 25 | 25 |
| Saskatchewan | 25 | 25 | 25 | 29 | 34 |
| Alberta | 54 | 56 | 57 | 58 | 59 |
| BC & Territories | 88 | 89 | 90 | 90 | 91 |
| TOTAL | 473 | 474 | 483 | 500 | 515 |

Source: CRTC Financial Database (includes stations that file annual returns as of August 31st of each year)

Table 2.2: Number of Commercial FM Stations in Canada
– All Languages

| | 1998 | 1999 | 2000 | 2001 | 2002 |
|---|---|---|---|---|---|
| Nfld. & Lab. | 4 | 4 | 4 | 5 | 5 |
| Prince Edward Island | 1 | 1 | 2 | 2 | 2 |
| Nova Scotia | 7 | 7 | 8 | 9 | 10 |
| New Brunswick | 9 | 9 | 10 | 17 | 18 |
| Quebec | 54 | 58 | 60 | 63 | 64 |
| Ontario | 76 | 80 | 88 | 99 | 105 |
| Manitoba | 8 | 8 | 10 | 11 | 11 |
| Saskatchewan | 8 | 8 | 8 | 12 | 17 |
| Alberta | 20 | 24 | 27 | 30 | 32 |
| BC & Territories | 31 | 33 | 36 | 38 | 47 |
| TOTAL | 218 | 232 | 253 | 286 | 311 |

Source: CRTC Financial Database (includes stations that file annual returns as of August 31st of each year)

Table 2.3: Number of Commercial AM Stations in Canada – All Languages

| | 1998 | 1999 | 2000 | 2001 | 2002 |
|---|---|---|---|---|---|
| Nfld. & Lab. | 12 | 12 | 13 | 10 | 10 |
| Prince Edward Island | 3 | 3 | 2 | 2 | 2 |
| Nova Scotia | 16 | 15 | 14 | 13 | 12 |
| New Brunswick | 10 | 9 | 9 | 7 | 7 |
| Quebec | 31 | 26 | 22 | 21 | 20 |
| Ontario | 60 | 57 | 55 | 50 | 51 |
| Manitoba | 15 | 15 | 14 | 14 | 14 |
| Saskatchewan | 17 | 17 | 17 | 17 | 17 |
| Alberta | 34 | 32 | 30 | 28 | 27 |
| BC & Territories | 57 | 56 | 54 | 52 | 44 |
| TOTAL | 255 | 242 | 230 | 214 | 204 |

Source: CRTC Financial Database (includes stations that file annual returns as of August 31st of each year)

- Between 1998 and 2002, 93 new commercial FM stations were introduced into the system. In comparison, there are 51 fewer commercial AM stations in operation.

Table 2.4: Number of AM to FM Conversions per Calendar Year

| | 1998 | 1999 | 2000 | 2001 | 2002 |
|---|---|---|---|---|---|
| # of AM to FM Conversions | 12 | 13 | 8 | 19 | 9 |

Source: CRTC Decisions

## B. Radio Tuning

### 1. Tuning Trends

- The following charts and tables outline the total hours tuned to radio in an average week during the fall surveys of 1997-2002. Chart 2.1 and Table 2.5 provide the total hours tuned over the entire broadcast day while Chart 2.2 and Table 2.6 include the total hours tuned between 6 a.m. and 6 p.m.
- The purpose of Tables 2.5 and 2.6 is to monitor the on-going use of radio by Canadians.

Table 2.5: Radio Tuning in an Average Week, All Persons 12+, 5 a.m. to 1 a.m. Total Hours Tuned ("THT") (000's)

| | 1997 | | 1998 | | 1999 | | 2000 | | 2001 | | 2002 | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | THT ('000) | % | THT ('000) | % | THT ('000) | % | THT ('000) | % | THT ('000) | % | THT ('000) | % |
| English AM | 143,274 | 28 | 138,986 | 25 | 133,316 | 25 | 126,419 | 24 | 126,207 | 24 | 122,041 | 23 |
| English FM | 233,510 | 45 | 269,081 | 49 | 268,211 | 49 | 267,612 | 50 | 267,022 | 50 | 276,360 | 51 |
| French AM | 29,219 | 6 | 24,052 | 4 | 20,536 | 4 | 15,990 | 3 | 15,668 | 3 | 14,651 | 3 |
| French FM | 79,684 | 15 | 91,160 | 17 | 91,898 | 17 | 92,743 | 17 | 94,359 | 18 | 99,213 | 18 |
| Other | 30,877 | 6 | 29,523 | 5 | 30,675 | 5 | 29,025 | 6 | 29,659 | 6 | 28,198 | 5 |
| Total | 516,564 | 100 | 552,802 | 100 | 544,636 | 100 | 531,789 | 100 | 532,915 | 100 | 540,463 | 100 |

Note: Other is principally over-the-air tuning to U.S. border stations
Source: BBM Fall 1997 to Fall 2002

Table 2.6: Radio Tuning in an Average Week, All Persons 12+, 6 a.m. to 6 p.m. Total Hours Tuned ("THT") (000's)

| | 1997 | | 1998 | | 1999 | | 2000 | | 2001 | | 2002 | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | THT ('000) | % | THT ('000) | % | THT ('000) | % | THT ('000) | % | THT ('000) | % | THT ('000) | % |
| English AM | 119,794 | 28 | 116,767 | 26 | 111,626 | 25 | 105,086 | 24 | 103,335 | 24 | 101,394 | 23 |
| English FM | 188,027 | 45 | 217,845 | 48 | 216,287 | 49 | 216,335 | 50 | 216,043 | 50 | 223,730 | 51 |
| French AM | 25,102 | 6 | 20,788 | 5 | 17,381 | 4 | 13,466 | 3 | 12,229 | 3 | 11,945 | 3 |
| French FM | 67,068 | 16 | 77,075 | 17 | 77,225 | 17 | 77,812 | 18 | 80,169 | 18 | 83,733 | 19 |
| Other | 22,819 | 5 | 22,041 | 4 | 23,026 | 5 | 21,963 | 5 | 23,110 | 5 | 21,391 | 5 |
| Total | 422,810 | 100 | 454,516 | 100 | 445,545 | 100 | 434,662 | 100 | 434,886 | 100 | 442,193 | 100 |

Source: BBM Fall 1997 to Fall 2002

- The total average weekly hours tuned in Fall 2002 were slightly higher than the totals for Fall 2001, both over the entire day (5 a.m. to 1 a.m.) and the 6 a.m. to 6 p.m. period.

- The following charts are based on Tables 2.5 and 2.6 and serve to demonstrate the dominance of FM radio in both the English and French language markets.

Chart 2.1: Total Hours Tuned in an Average Week, 5 a.m. to 1 a.m., Fall 2002

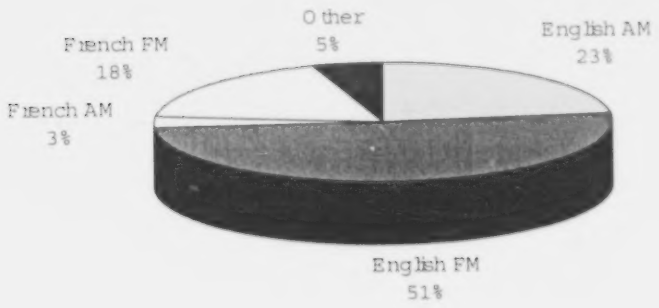
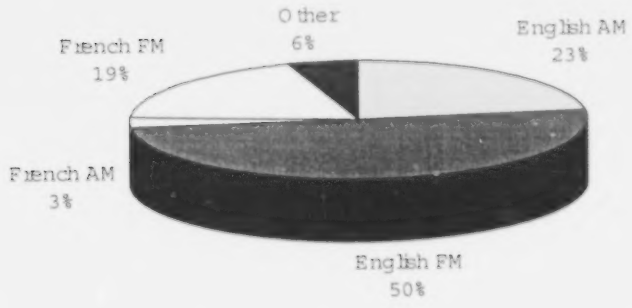



Chart 2.2: Total Hours Tuned in an Average Week, 6 a.m. to 6 p.m., Fall 2002



- In the Fall of 2002, 93.0% of Canadians aged 12 and over listened to the radio at least 15 minutes per week, as compared to 94.0% in 1998.

- The average hours per week tuned per listener have remained in the 22 hour per week range since 1990.

- The average hours per week tuned per capita have remained in the 20 hour per week range since 1996. (Source: BBM Radio Databooks)

### 2. Digital Radio

- The Commission issued *A Policy to Govern the Introduction of Digital Radio*, Public Notice CRTC 1995-184, on 29 October 1995.

- As of August 2003, 56 licences for transitional digital radio undertakings (DRU's) had been granted. Of these licences, 42 were issued to existing commercial radio stations and 14 to existing CBC stations.

- These 56 stations are located in 4 different markets:

  Montréal: 12, Toronto: 24, Vancouver: 14 and Windsor: 6

- To find out more about digital radio, you can visit the following website: http://www.digitalradio.ca

## C. Ownership

- In revising its ownership policy in the *1998 Commercial Radio Policy*, Public Notice CRTC 1998-41, 30 April 1998 (Commercial Radio Policy) the Commission focused on developing a model that would allow for some measure of consolidation, while taking into account its general concerns for preserving a diversity of news voices and maintaining competition.

- Table 2.7 through 2.12 monitor ownership consolidation in the radio industry.

## 1. Revenues of the Top 10 Ownership Groups

### Table 2.7: Ten Largest Radio Operators Radio Revenue & National Share

| Corporation | # of Radio Undertakings | | | Radio Revenue (000's) | | | National Share of Revenue (%) | | |
|---|---|---|---|---|---|---|---|---|---|
| | 2000 | 2001 | 2002 | 2000 | 2001 | 2002 | 2000 | 2001 | 2002 |
| Corus Entertainment Inc. | 43 | 49 | 52 | 166,656 | 199,002 | 198,245 | 16 | 19 | 18 |
| Rogers Communications Inc. | 29 | 29 | 49 | 120,719 | 132,905 | 156,125 | 12 | 12 | 14 |
| Standard Broadcasting Corp. Ltd. | 12 | 12 | 50 | 90,879 | 92,385 | 153,984 | 9 | 9 | 14 |
| Astral Radio Inc. | 12 | 15 | 38 | 40,845 | 47,262 | 115,201 | 4 | 4 | 10 |
| CHUM Limited | 28 | 29 | 29 | 98,491 | 108,435 | 110,283 | 10 | 10 | 10 |
| Newcap Broadcasting Inc. | 20 | 24 | 42 | 32,202 | 33,833 | 45,880 | 3 | 3 | 4 |
| Jim Pattison Industries | - | 19 | 15 | - | 27,916 | 24,010 | - | 3 | 2 |
| Maritime Broadcasting Ltd. | 19 | 21 | 22 | 23,222 | 24,044 | 22,685 | 2 | 2 | 2 |
| Elmer Hildebrand (Golden West Broadcasting) | - | 19 | 21 | - | 20,968 | 22,066 | - | 2 | 2 |
| Rawlco Enterprises Ltd. | 8 | - | 12 | 17,162 | - | 21,960 | 2 | - | 2 |
| Télémédia Inc. | 76 | 81 | - | 125,311 | 136,256 | - | 12 | 13 | - |
| Métromédia CMR Broadcasting Inc. | 6 | - | - | 33,419 | - | - | 3 | - | - |
| TOTAL | 253 | 298 | 330 | 748,906 | 823,006 | 870,439 | 73 | 77 | 79 |
| TOTAL Canada (Private Radio Revenues) | 493 | 511 | 525 | 1,023,901 | 1,066,552 | 1,099,852 | 100 | 100 | 100 |

Source: CRTC Internal Report "Ownership August 2002", CRTC Financial Database

Notes: Radio undertakings include networks.
Reflects ownership structure according to licensees' filing of annual returns at August 31 of each year. Ownership transactions not taking effect until after August 31 are not reflected until the following year.
Corus acquired control of Métromédia CMR Broadcasting Inc. in 2001.
Jim Pattison Industries acquired the radio stations of Monarch Broadcasting Ltd. in 2001.
Rogers acquired 14 stations and one network from Standard in 2002.
Standard acquired 4 stations from Craig and 64 stations plus 3 networks from Télémédia in 2002.
Newcap acquired 15 stations from Standard in 2002.
Astral acquired 19 stations and 6 networks from Télémédia in 2002.
A dash (-) indicates that a company was not in the top 10 in a given year.

- Astral, as represented in all tables, reflects the transaction that was approved pursuant to Decision 2002-90, the acquisition of assets from Télémédia. It should be noted that this transaction was finalized in October 2002.

- Currently eight Astral stations are being held in trust pending their sale: CKRS, CJRC, CHLN, CHLT, CKTS, CKAC, CHRC and CFOM-FM.

- The number of undertakings owned by the top 10 radio operators and their share of national revenue continue to rise, from 148 and 61% respectively in 1998 to 330 and 79% in 2002.

## Table 2.8: Radio Revenues of the Largest French Language Radio Operators

| Corporation | # of Radio Undertakings | | | Radio Revenue ($000's) | | | Share of French Radio Revenue (%) | | |
|---|---|---|---|---|---|---|---|---|---|
| | 2000 | 2001 | 2002 | 2000 | 2001 | 2002 | 2000 | 2001 | 2002 |
| Astral | 12 | 15 | 29 | 40,845 | 47,262 | 107,210 | 25% | 28% | 60% |
| Corus | 6 | 10 | 10 | 6,085 | 28,648 | 24,638 | 4% | 17% | 14% |
| Télémédia | 9 | 9 | - | 39,857 | 40,971 | - | 24% | 24% | - |
| Total | 27 | 34 | 39 | 86,787 | 116,881 | 131,848 | 53% | 68% | 74% |
| Total French Radio | 85 | 87 | 88 | 164,251 | 171,117 | 180,143 | 100% | 100% | 100% |

Source: CRTC Financial Database

## Table 2.9: Radio Revenues of the 5 Largest English Language Radio Operators

| Corporation | # of Radio Undertakings | | | Radio Revenue ($000's) | | | Share of English Radio Revenue (%) | | |
|---|---|---|---|---|---|---|---|---|---|
| | 2000 | 2001 | 2002 | 2000 | 2001 | 2002 | 2000 | 2001 | 2002 |
| Corus | 37 | 39 | 42 | 160,571 | 170,354 | 173,604 | 19% | 20% | 19% |
| Rogers | 29 | 29 | 49 | 120,719 | 132,905 | 156,125 | 15% | 15% | 17% |
| Standard | 12 | 12 | 50 | 90,879 | 92,385 | 153,984 | 11% | 11% | 17% |
| CHUM | 28 | 29 | 29 | 98,491 | 108,435 | 110,283 | 12% | 13% | 12% |
| Newcap | - | - | 42 | - | - | 45,880 | - | - | 5% |
| Télémédia | 67 | 72 | - | 85,454 | 95,286 | - | 10% | 11% | - |
| Total | 173 | 181 | 212 | 556,114 | 599,365 | 639,876 | 67% | 70% | 70% |
| Total English Radio | 395 | 412 | 425 | 831,579 | 867,847 | 893,417 | 100% | 100% | 100% |

Source: CRTC Financial Database

## 2. "Top 10" by Total Hours Tuned

### Table 2.10: Tuning to the Ten Largest Radio Operators

| Corporation | Listening Hours (000's) | | | All Radio Share (%) | | |
|---|---|---|---|---|---|---|
| | 2000 | 2001 | 2002 | 2000 | 2001 | 2002 |
| Corus Entertainment Inc. | 70,130 | 89,397 | 83,493 | 13 | 17 | 15 |
| Standard Broadcasting Corp. Ltd. | 40,530 | 36,115 | 66,010 | 8 | 7 | 12 |
| Astral Radio Inc. | 18,827 | 18,647 | 55,805 | 4 | 3 | 10 |
| Rogers Communications Inc. | 45,910 | 44,958 | 49,934 | 9 | 8 | 9 |
| CHUM Limited | 39,667 | 36,169 | 36,441 | 7 | 7 | 7 |
| Newcap Broadcasting Limited | 12,191 | 15,565 | 16,161 | 2 | 3 | 3 |
| Jim Pattison Industries | - | 10,559 | 10,897 | - | 2 | 2 |
| Cogeco Inc. | - | 10,203 | 10,881 | - | 2 | 2 |
| Maritime Broadcasting System Limited | 10,145 | - | 10,352 | 2 | - | 2 |
| Caineco Ltd. | - | - | 8,248 | - | - | 2 |
| Télémédia Inc. | 53,385 | 59,667 | - | 10 | 11 | - |
| Radiomédia Inc. | 9,136 | 9,621 | - | 2 | 2 | - |
| Metromedia CMR Broadcasting Inc. | 18,995 | - | - | 4 | - | - |
| TOTAL | 318,916 | 330,901 | 348,222 | 61 | 62 | 64 |
| TOTAL PRIVATE RADIO | 435,794 | 439,870 | 441,952 | | | |
| TOTAL ALL RADIO – CANADA | 531,789 | 532,916 | 540,463 | | | |

Note: Total private and all radio listening hours include tuning to non-English and non-French stations (i.e. Multilingual and Native stations).
Sources: CRTC Internal Report "Ownership August 2002", July 2002
BBM, Fall 2000 to 2002

- The tuning share of the ten largest radio groups has risen considerably between 1998 and 2002, from 53% to 64%.

### Table 2.11: Tuning to the Two Largest French Language Radio Operators, 2002

| Corporation | # of Radio Undertakings | Listening Hours (000's) | French Radio Share (%) |
|---|---|---|---|
| Astral | 29 | 52,877 | 46 |
| Corus | 10 | 13,983 | 12 |
| Total | 39 | 66,861 | 58 |
| Total French Radio | 87 | 113,864 | 100 |

Source: 2002 BBM Fall Survey

- Astral Radio Inc. garnered 60% of French language radio revenues and 46% of the hours tuned in 2002.

**Table 2.12: Tuning to the Five Largest English Language Radio Operators, 2002**

| Corporation | # of Radio Undertakings | Listening Hours (000's) | English Radio Share (%) |
|---|---|---|---|
| Corus | 42 | 69,510 | 17 |
| Standard | 50 | 66,010 | 17 |
| Rogers | 49 | 49,934 | 13 |
| CHUM | 29 | 36,441 | 9 |
| Newcap | 42 | 16,161 | 4 |
| Total | 212 | 238,053 | 60 |
| Total English Radio | 425 | 398,401 | 100 |

Source: 2002 BBM Fall Survey

## D. Competitive Licensing

- In the Commercial Radio Policy, the Commission determined that in order to encourage competition and choice it would no longer apply the criteria outlined in the *Radio Market Policy*, Public Notice 1991-74, 23 July 1991. The elimination of the Radio Market Policy combined with the revised common ownership policy have resulted in numerous competitive processes for new FM stations in markets across Canada.

- In Decision CRTC 99-480, 28 October 1999, the Commission outlined the factors that will generally be among those relevant to the evaluation of competitive applications. The Decision also noted that the relative weight and significance of the factors would vary depending on the specific circumstances of the market concerned.

- The following table reveals the factors that were noted in the Commission's decisions as contributing to the success of competitive applications since the introduction of the Commercial Radio Policy.

## Table 2.13: Factors Contributing to Successful Applications for Commercial Radio Licences Considered in Competitive Processes Following the 1998 Commercial Radio Policy

| Application | Can. Con. | CTD | Business Plan | Competitive Balance | Diversity of voices |
|---|---|---|---|---|---|
| Victoria – O.K. Radio | | X | X | | |
| Victoria – Rogers | | X | X | | |
| Victoria – Seacoast | | X | X | X | |
| Duncan – CKAY | | | X | | |
| London – CHUM | | X | X | | |
| Saskatoon – Hildebrand | X | X | X | X | |
| Lloydminster – Peace River | X | X | X | | X |
| Hamilton/Burlington – Kirk/Roe | | X | X | | X |
| Barrie – Rock 95 | X | X | X | X | |
| Belleville – Zwig | | | X | X | |
| Toronto – Milestone | | | X | | X |
| Toronto – AVR | | | | | X |
| Toronto – PrimeTime | | X | X | | X |
| Moncton – Losier | | | X | | X |
| Moncton – Maritime | | | | X | |
| Moncton – Atlantic | | | X | X | |
| Saint-John – NBBC | | | | X | |
| Kingston – Wright | | X | X | | X |
| Calgary – Standard | X | | X | X | |
| Calgary – Telemedia | X | | X | | X |
| Calgary – AVR | | | | | X |
| Vancouver – Focus | | X | X | | X |
| Vancouver – CBC | | | | | X |
| Vancouver – AVR | | | | | X |
| Vancouver – SFU Community | | | | | X |
| Ottawa/Hull – Newcap | X | X | X | | X |
| Ottawa/Hull – AVR | | | | | X |
| Ottawa/Hull – CHIN | | X | X | | X |
| Ottawa/Hull – Radio Nord | X | X | X | | X |
| Winnipeg – Global | X | X | X | | |
| Winnipeg – Rogers | | | X | | |
| Winnipeg – Radiolink | | | X | | |
| Winnipeg – HIS Broadcasting | X | X | | | |
| Winnipeg – Red River Campus | | X | | | |
| Québec City – Cogéco | X | X | | X | |
| Toronto – Canadian Multicultural Radio | X | | | | X |
| Toronto – Coopérative radiophonique de Toronto | X | | | | X |
| Kitchener – Global | X | X | X | | |
| Kitchener – Larche Communications | X | X | X | | X |
| Kitchener – Sound of Faith | | X | | | X |
| Kitchener – AVR | | | | | X |
| St. John's – Newman/Bell | | | X | | X |
| Montréal – AVR | | | | | X |
| Montréal – Canadian Hellenic Cable Radio | | | | | X |
| Montréal – Radio Nord | X | X | X | | X |
| Sherbrooke – Cogéco | X | X | | | X |
| Sherbrooke – Génération Rock | X | | | | X |
| Trois-Rivières – Cogéco | X | X | | | X |
| Total (48 stations) | 18 | 24 | 28 | 9 | 29 |

Source: CRTC Decisions

- "Can. Con." refers to applications that proposed to exceed the minimum regulatory requirement of Canadian content.

- Of the 48 new licences awarded via competitive processes, only 8 were awarded to a licensee included in the 10 largest commercial radio operators.

## E. Canadian Talent Development (CTD)

- The Commission reviews radio licensee contributions to Canadian talent development (CTD) in the following instances:

  - Applications for new radio stations
  - Transfers of control or ownership (benefits)
  - Renewal of radio licences

### 1. Applications for New Radio Licences

- Since the introduction of the Commercial Radio Policy in 1998 the Commission has licensed 48 new radio stations through competitive processes in markets across Canada through to October 2003. These successful applicants have committed over $27 million to CTD initiatives over their initial licence terms.

- In addition, there were 36 new radio licences or AM to FM flips granted without a competitive process. These licensees committed a combined $395,000 towards CTD initiatives.

### 2. Transfers of Control or Ownership (benefits)

- As outlined in the Commercial Radio Policy, applicants for the transfer of ownership or control of radio stations must make commitments that represent a minimum direct financial contribution to CTD of 6% of the value of the transaction. Three percent is to be allocated to the StarMaker/RadioStar music marketing and promotion fund, two percent to either FACTOR or MusicAction and one percent at the discretion of the purchaser to other eligible endeavours.

- Since the adoption of the 1998 Commercial Radio Policy to October 19, 2003, there have been 75 Commission approved control and/or ownership transactions involving 311 radio stations.

- CTD benefits from these transactions have totalled $ 92.6 million.

Table 2.14: Value of Radio Transactions and Corresponding Transfer Benefits for the period May 1, 1998 to August 31, 2003

| ($000,000) | English-Language Services | | | French-Language Services | | | Total Benefits |
|---|---|---|---|---|---|---|---|
| | # of Trans. | Value of the Transaction* | Benefits | # of Trans. | Value of the Transaction* | Benefits | |
| May 1/98 to Aug.31/98 | 3 | 9.6 | 0.3 | 0 | 0.0 | 0.0 | 0.3 |
| Sep 1/98 to Aug. 31/99 | 17 | 281.1 | 14.8 | 4 | 5.0 | 0.3 | 15.1 |
| Sep 1/99 to Aug. 31/00 | 16 | 386.8 | 23.0 | 4 | 11.4 | 0.7 | 23.7 |
| Sep 1/00 to Aug. 31/01 | 11 | 98.7 | 5.7 | 1 | 110.0 | 6.6 | 12.3 |
| Sep 1/01 to Aug. 31/02 | 14 | 458.2 | 27.6 | 2 | 227.0 | 13.6 | 41.2 |
| Sep 1/02 to Aug. 31/03 | 2 | 5.5 | 0.0 | 1 | 0.4 | 0.0 | 0.0 |
| Total | 63 | 1,239.9 | 71.4 | 12 | 353.8 | 21.2 | 92.6 |

* Value determined by the Commission for the purpose of calculating transfer benefits.
Source: CRTC Decision and Administrative approvals as of October 19, 2003

### 3. Renewal of Radio Licences

- As part of their licence renewal applications, all licensees of private commercial radio stations are asked to make an annual financial commitment to CTD.
- In *Contributions by radio stations to Canadian talent development – a new approach*, Public Notice CRTC 1995-196, 17 November 1995, the Commission, in conjunction with the industry, established an approach that would ensure a minimum annual payment of $1.8 million to eligible third parties associated with CTD.
- The following table indicates the amount of money contributed to CTD initiatives in the context of licence renewals.

Table 2.15: CTD Annual Contributions – Licence Renewals

| (dollars) | 1999 | 2000 | 2001 | 2002 |
|---|---|---|---|---|
| 3rd Party Contributions | | | | |
| FACTOR | 965,043 | 835,074 | 894,640 | 891,266 |
| MusicAction | 287,800 | 269,599 | 258,000 | 307,900 |
| Other 3rd Party: | | | | |
| - Music Organizations | 406,588 | 505,888 | 385,373 | 542,954 |
| - Performing Arts Groups | 408,672 | 109,836 | 689,336 | 516,523 |
| - Schools or Scholarships | 137,837 | 124,590 | 122,563 | 105,638 |
| Total – Other | 953,097 | 740,314 | 1,197,272 | 1,165,115 |
| Total 3rd Party Contributions | 2,205,940 | 1,844,987 | 2,349,912 | 2,364,281 |
| Local Initiative Contributions | 614,068 | 657,487 | 570,300 | 718,247 |
| TOTAL – CTD Contributions | 2,820,008 | 2,502,474 | 2,920,211 | 3,082,528 |

Source: CRTC Financial Database, Annual Returns

## F. Diversity of Formats

- In the development of the Commercial Radio Policy the broadcasting industry submitted that an increase in consolidation in markets would lead to an increase in the diversity of formats.

- The following tables (tables 2.16 to 2.19) compare the diversity of radio formats available in a sample of markets across Canada from 2000-2002.
- Note that formats change frequently. The format information used in tables 2.16 to 2.19 is based on the BBM Fall market books for the respective years in conjunction with other reference material.
- Overall, the number of distinct radio formats available in the sample of markets has increased slightly since the introduction of the Commercial Radio Policy.

**Table 2.16: Formats of Market Stations for Vancouver, Kelowna, Calgary and Regina**

| Format of market stations | Market | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Vancouver | | | Kelowna | | | Calgary | | | Regina | | |
| | 2000 | 2001 | 2002 | 2000 | 2001 | 2002 | 2000 | 2001 | 2002 | 2000 | 2001 | 2002 |
| Adult Contemporary (AC) | 1 | | | 2 | | | 1 | | 1 | | 2 | 1 |
| AC / CHR | | | | | 1 | 1 | | | | | | |
| AC Light Rock | 1 | | | | | | | 1 | | | | |
| AC / Oldies | | | | | | | | | | 1 | | |
| Adult Rock | | | | | | | 1 | | | 1 | 1 | |
| Adult Standards Nostalgia | | | | | | | | 1 | 1 | | | |
| Album-Oriented Rock (AOR) | 2 | 1 | | 1 | | | 1 | | | 1 | | |
| Contemp. Country | | | | | | | | | 1 | | | |
| Contemp. Hit Radio (CHR) | 1 | 1 | 1 | | | | | | | 1 | | |
| CHR / Top 40 | | | | | | | | 1 | | | | |
| Classic Rock | | 1 | 1 | | | | | 2 | | | | |
| Classic/Contemporary Rock | | | | | 1 | 1 | | | | | | |
| Classic/Mainstream Rock | | | | | | | | | | | | 1 |
| Classic/Today's Rock | | | | | | | | | 1 | | | |
| Country | 1 | 1 | | 1 | 1 | | 1 | 1 | | 1 | 1 | |
| Country Gold | | | | | | | 1 | | | | | |
| Country/Talk/Sports | | | | | | | | | | | | 1 |
| Ethnic | 2 | | 3 | | | | | | 1 | | | |
| Ethnic Specialty | 1 | 3 | | | | | 1 | 1 | | | | |
| Full Service | | 1 | 1 | | | | | | | | | |
| Gospel Specialty | | | | | | | 1 | 1 | | | | |
| Hip Hop/R&B/Old School | | | | | | | | | 1 | | | |
| Hot AC | | | | | | | | | 1 | | | 1 |
| Hot New Country | | | | | | 1 | | | | | | |
| Jazz | | | | | | | | | 1 | | | |
| Modern/Alternative Rock | | | 1 | | | | | | | | | |
| New Country | | | 1 | | | | | | | | | |
| News | 1 | 1 | 1 | | | | | | | | | |
| News / Talk | 3 | 2 | | 1 | 1 | 1 | 1 | 1 | 1 | | | |
| News / Talk / Sports | | | 1 | | | | | | | | 1 | 1 |
| Nostalgia | | 1 | 1 | | | | | | | | | |
| Oldies | 1 | | 1 | | | | 1 | 1 | 1 | | | |
| Rock | | | | | | | | | | | | 1 |
| Soft Favourites | | 1 | 1 | | | | | | | | | |
| Soft Rock | | 1 | 1 | | 1 | 1 | | | | | | |
| Sports | | 1 | 1 | | | | | 1 | 1 | | | |
| Talk | 1 | | 1 | | | | | | | | | |
| True Oldies | 1 | 1 | | | | | 1 | | | 1 | 1 | |
| Urban | | | 1 | | | | | | | | | |
| Urban/Hip Hop | | | | | | | | | 1 | | | |
| Total # of stations | 16 | 16 | 17 | 5 | 5 | 5 | 11 | 11 | 12 | 6 | 6 | 6 |
| # of distinct formats | 12 | 13 | 15 | 4 | 5 | 5 | 11 | 10 | 12 | 6 | 5 | 6 |

## Table 2.17: Formats of Market Stations for Sudbury, London, Toronto and Ottawa-Gatineau

| Format of market stations | Market | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Sudbury | | | London | | | Toronto | | | Ottawa-Gatineau | | |
| | 2000 | 2001 | 2002 | 2000 | 2001 | 2002 | 2000 | 2001 | 2002 | 2000 | 2001 | 2002 |
| AC | 1 | | 1 | 3 | 1 | 1 | 4 | 4 | 2 | 2 | 1 | 2 |
| AC / CHR | | | | | | | | | | | 1 | 1 |
| Adult Hits | | | | | | | | | 1 | | | |
| Adult Rock | | | | 1 | | | | | | | | |
| Adult Standards | | | | | | | | 1 | 1 | | | |
| Alternative | | | | | | | 1 | 1 | | | | |
| AOR | 1 | | | | | | 1 | | | | | |
| CAR | | | | | | | | | | 2 | | |
| CFA Specialty | | | | | | | 1 | 2 | | | | |
| CHR | | 1 | 1 | | 1 | | 1 | 2 | 1 | 1 | 1 | 1 |
| CHR/Dance | | | | 1 | | | 1 | | 1 | | | |
| CHR/Rock | | | 1 | | | | | | | | | |
| Classical | | | | | | | | | 1 | | | |
| Classical/Jazz | | | | | | | | | | | | 1 |
| Classic Rock | | | | | | | | 1 | 1 | 1 | 1 | 1 |
| Contemporary Country | | | | | | | | | | | | 1 |
| Contemporary Rock | | 1 | | | | | | | | | | |
| Country | 1 | 1 | 1 | 1 | 1 | 1 | | | | 1 | 1 | |
| Dancing Oldies | | | | | | | | 1 | | | | |
| Easy listening | | | | | | | 1 | | | | | |
| Ethnic | | | | | | | 3 | | | | | |
| Ethnic Specialty | | | | | | | 2 | 5 | 5 | | | |
| Gold/Oldies | | | | | | | | | 1 | | | |
| Hot AC | | | | | 1 | 1 | | | 1 | | | |
| Jazz | | | | | | | | | 1 | | | |
| Mainstream Rock | | | | | | | | | | | 1 | 1 |
| Mainstream Top 40/CHR | | 1 | | | | 1 | | | | | | |
| Modern Rock | | | | | | | | | 1 | | | |
| Modern/Alternative Rock | | | | | 1 | | | | | | | |
| New & Gold AC | | | | | | | | | | | 1 | |
| News | | | | | | | | | 1 | | | |
| News/Talk | | | | 1 | 1 | | 3 | 3 | 2 | 2 | 2 | 2 |
| News/Talk Sports | | | | | | 2 | | | | | | |
| Oldies | 1 | | | | 1 | 1 | 1 | | | 1 | | 1 |
| Oldies/Sports/Talk | | | | 1 | 1 | | | | | | | |
| Pop/Rock | | | | | | 1 | | | | | | |
| Soft AC | 1 | 1 | 1 | | | | | | | | | |
| Sports | | | | | | | | 1 | 1 | | | 1 |
| Talk/Sports | | | | | | | 1 | 1 | | 1 | 1 | |
| True Oldies | | | | | | | | | | | 1 | |
| Unforgettable Hits / Adult Standards | | | | | | | | | 1 | | | |
| Urban | | | | | | | | 1 | | | | |
| Urban/Hip Hop/R&B/Reggae | | | | | | | | | 1 | | | |
| Total # of stations | 5 | 5 | 5 | 8 | 8 | 8 | 20 | 23 | 23 | 11 | 11 | 12 |
| # of distinct formats | 5 | 5 | 5 | 6 | 8 | 7 | 12 | 12 | 17 | 8 | 10 | 10 |

## Table 2.18: Formats of Market Stations for Montréal, Québec and Saguenay

| Format of market stations | Market | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Montréal English | | | Montréal French | | | Québec | | | Saguenay (Chicoutimi-Jonquière) | | |
| | 2000 | 2001 | 2002 | 2000 | 2001 | 2002 | 2000 | 2001 | 2002 | 2000 | 2001 | 2002 |
| AC | | | | 2 | 1 | 1 | 4 | 1 | 1 | 1 | | |
| AC / CHR | 1 | 1 | | | | | | | | | 1 | |
| AC / Oldies | 1 | | | | | | | | | | | |
| Adult Rock | | | | 1 | | | | | | | | |
| AOR | 1 | 1 | | | | | | 1 | 1 | | | |
| CAR | | | | | | | | | | | | |
| CFA Specialty | | | | 1 | 1 | | | | | | | |
| CHR | | | | 1 | 2 | 2 | | 1 | 1 | 1 | 1 | 1 |
| Classical | | | | | | 1 | | | | | | |
| Classic Rock | | | 1 | | | | | | | | | |
| Country | | | | | | | | | | | | |
| Ethnic | 1 | 1 | 1 | | | 1 | | | | | | |
| Gold | | | | | | | | | | | | |
| Hot AC | | | 1 | | | | | | | | | |
| Info / Commentary / Sports | | | | | 1 | | | | | | | |
| Info / Sports / Services | | | | | | | | | 1 | | | |
| Information / Music | | | | | | | | 1 | 1 | | | |
| Light AC | | | | | 1 | 1 | | | | | | 1 |
| Light Rock | | 1 | 1 | | | | | | | | | |
| Modern Rock | | | | | | 1 | | | | | | |
| MOR | | | | 1 | 1 | | | | | | | |
| News / Talk | 2 | 2 | 2 | 2 | 1 | 1 | 1 | 1 | | 1 | 1 | 1 |
| News / Talk / Sports | | | | | | 1 | | | | | | |
| Oldies | | | | | | | 1 | | | | | |
| Retro Music | | | | | | | | 1 | 1 | | | |
| Sports / Talk | | 1 | 1 | | | | | | | | | |
| Talk | | | | | | | | | | | | |
| True Oldies | 1 | | | | | | | | | | | |
| Total # of stations | 7 | 7 | 7 | 8 | 8 | 9 | 6 | 6 | 6 | 3 | 3 | 3 |
| # of distinct formats | 6 | 6 | 6 | 6 | 7 | 8 | 3 | 6 | 6 | 3 | 3 | 3 |

Table 2.19: Formats of Market Stations for Halifax and St. John's

| Format of market stations | Market | | | | | |
|---|---|---|---|---|---|---|
| | Halifax | | | St. John's | | |
| | 2000 | 2001 | 2002 | 2000 | 2001 | 2002 |
| AC | 1 | | | 1 | | |
| AC / CHR | | 1 | 1 | | 1 | |
| AC / Oldies | | 1 | | 1 | | |
| AOR / CHR | | | | 1 | | 1 |
| CHR | 1 | | | | | |
| Classic Country | | | 1 | | | |
| Classic Hits | | | 1 | | | |
| Classic Rock | | | | | | 1 |
| Country | 2 | 2 | 1 | 1 | 1 | |
| Hot AC | | | | | 1 | |
| Light Rock | | | | 1 | | |
| Mainstream Top 40/CHR | | | | | | 1 |
| News / Talk | 1 | | | | | |
| News / Talk / AC | | | | | 1 | |
| News/Talk/Country | | | | | | 1 |
| News / Talk / Sports | | 1 | | | | |
| Nfld Music | | | | | 1 | 1 |
| Oldies | 2 | | 2 | | | |
| Rock | | 1 | 1 | | | |
| Soft Rock | | 1 | | | | |
| Total # of stations | 7 | 7 | 7 | 5 | 5 | 5 |
| # of distinct formats | 5 | 6 | 6 | 5 | 5 | 5 |

## G. Popularity of Formats

Chart 2.3: Ten Most Popular English-Language Formats – 2002

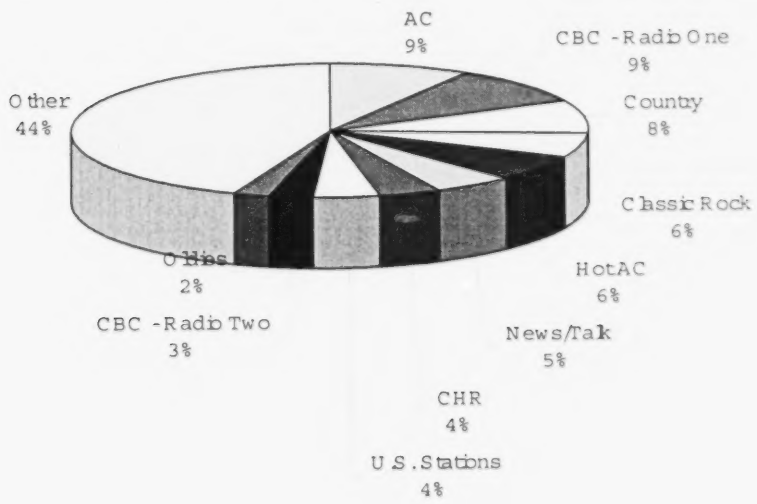
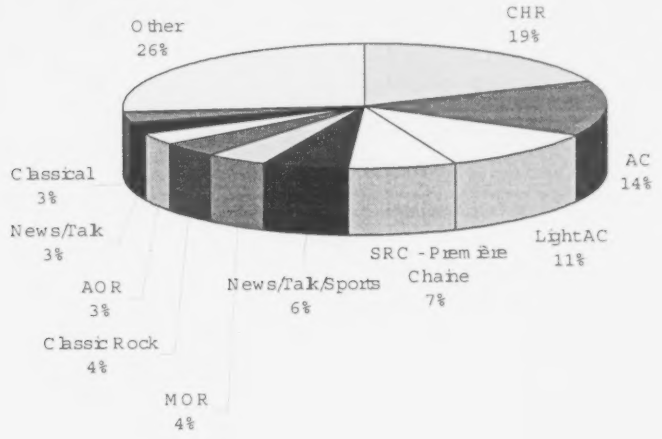


Chart 2.4: Ten Most Popular French-Language Formats – 2002




## H. Promotion of a Financially Sound Sector

### 1. Financial Performance

#### a) Total Revenues – AM and FM

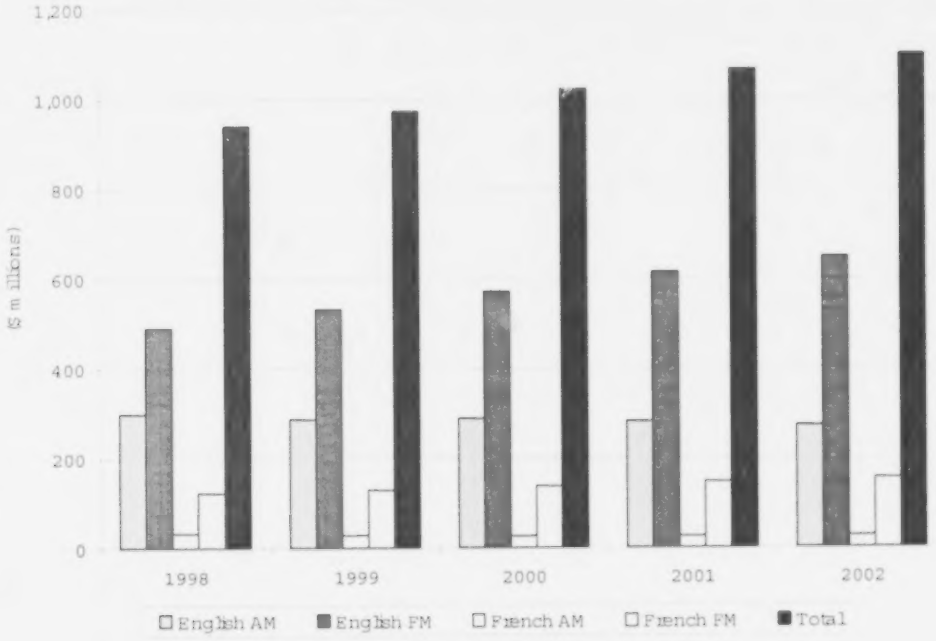
- One of the Commission's objectives in developing the 1998 Commercial Radio Policy was to ensure a strong, well-financed radio industry that is able to achieve its obligations under the *Broadcasting Act*.

Table 2.20: Radio Revenues in Canada
1998 – 2002

| Radio Type | Total Revenues ($000s) | | | | |
|---|---|---|---|---|---|
| | 1998 | 1999 | 2000 | 2001 | 2002 |
| English AM | 297,629 | 286,257 | 288,397 | 280,988 | 271,526 |
| English FM | 489,155 | 531,368 | 571,253 | 614,447 | 648,185 |
| Total - English | 786,784 | 817,625 | 859,650 | 895,435 | 919,711 |
| French AM | 31,689 | 28,135 | 26,460 | 24,899 | 25,653 |
| French FM | 121,595 | 127,994 | 137,329 | 146,218 | 154,490 |
| Total – French | 153,284 | 156,129 | 163,789 | 171,117 | 180,143 |
| TOTAL - Canada | 940,068 | 973,754 | 1,023,439 | 1,066,552 | 1,099,854 |

Note: Ethnic stations are included under English Radio.
Source: FDB Financial Summary Reports

Chart 2.5: Radio Revenues




- Total revenues for English language FM radio grew by 5.4% in 2002, while total revenues for English language AM radio declined by 3.4% in 2002.
- Total revenues for French language FM radio have grown at a relatively constant pace of between 5% to 8% since 1998, and grew by 5.7% in 2002.
- French language AM radio continues to see a steady decline in the number of stations, decreasing from 20 in 2001 to 18 in 2002. Revenues grew by 3.0% over the same period.

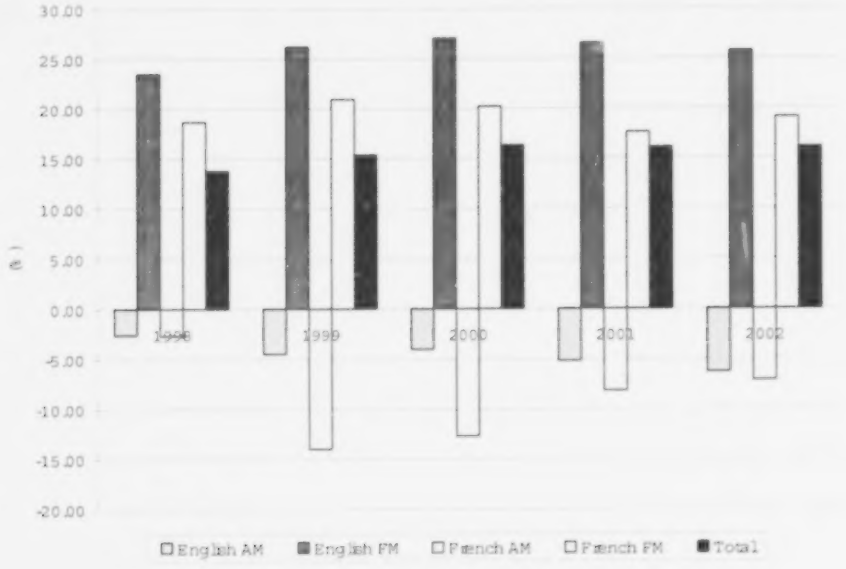
### b) Profits Before Interest and Taxes (PBIT) Margins

Table 2.21: PBIT Margins – AM and FM (%)

| Radio Type | 1998 | 1999 | 2000 | 2001 | 2002 |
|---|---|---|---|---|---|
| English AM | -2.59 | -4.48 | -4.03 | -5.20 | -6.29 |
| English FM | 23.50 | 26.18 | 27.00 | 26.52 | 25.74 |
| Total – English | 13.63 | 15.45 | 16.59 | 16.56 | 16.29 |
| French AM | -2.70 | -13.99 | -12.72 | -8.15 | -7.11 |
| French FM | 18.65 | 20.91 | 20.18 | 17.63 | 19.09 |
| Total – French | 14.24 | 14.62 | 14.86 | 13.88 | 15.31 |
| Total – Canada | 13.73 | 15.32 | 16.31 | 16.13 | 16.13 |

Note: Ethnic stations are included under English language Radio.
Source: FBD Financial Summary Reports 1998-2002

Chart 2.6: Radio PBIT Margins




## c) Jointly Operated AM Stations

- Many AM stations are jointly operated with at least one other FM station in their market. When viewed as a combined entity these joint operations, both English language and French language, are profitable.
- In 2002 stand-alone AM stations were also profitable, both in the English and French language markets.

Table 2.22: Jointly Operated & Stand Alone AM Stations

| (in Canada) | 2000 | 2001 | 2002 |
|---|---|---|---|
| ENGLISH RADIO | | | |
| # of English AM Stations | 211 | 202 | 180 |
| # of English AM stations jointly operated with at least one other FM station | 134 | 137 | 110 |
| % of English AM stations jointly operated with other stations | 64% | 68% | 61% |
| Average PBIT margin for the combined AM/FM results | 18% | 18% | 21% |
| Stand-alone AM: | | | |
| # of English AM stand-alone stations | 77 | 65 | 70 |
| Average PBIT Margin of the stand-alone AM stations | 12% | 11% | 11% |
| FRENCH RADIO | | | |
| # of French AM Stations | 22 | 20 | 17 |
| # of French AM stations jointly operated with at least one other FM station | 9 | 8 | 6 |
| % of French AM stations jointly operated with other stations | 41% | 40% | 35% |
| Average PBIT margin for the combined AM/FM results | 21% | 17% | 3% |
| Stand-alone AM: | | | |
| # of French AM stand-alone stations | 13 | 12 | 11 |
| Average PBIT Margin of the stand-alone AM stations | -26% | -15% | 2% |

Source: CRTC Financial Database

## I. Promoting the Airplay of Canadian and French Vocal Music

Table 2.23: Canadian Content and French Vocal Music

| Requirement (# of stations analyzed) | % meeting requirement – all day, weekly | % meeting requirement – 6AM to 6PM, Mon.-Fri. |
|---|---|---|
| 35% Canadian Content (51) | 92% | 88% |
| 65% French Vocal Music (21) | 90% | Not applicable |
| 55% French Vocal Music Weekly – 6 A.M.-6 P.M. (21) | Not applicable | 90% |

Note: Radio stations are analyzed for compliance to their regulated Canadian music and French vocal music requirements during the licence renewal process. The above results are based on a limited sample of stations and are not necessarily representative of the radio community as a whole. The Commission's approach to radio licensees found in non-compliance is outlined in Practices Regarding Radio Non-Compliance, Circular No. 444, 7 May 2001.
Source: CRTC, evaluation of licence renewal applications during 2002

- The Commercial Radio Policy increased the required number of category 2 musical selections broadcast each week that must be Canadian from 30% to 35% for commercial AM and FM radio stations.

- The Commercial Radio Policy maintained the level of French-language vocal category 2 music selections to be broadcast each week at 65% and introduced the requirement of 55% French-language vocal category 2 music Monday through Friday between 6 a.m. and 6 p.m.

- These requirements have since been incorporated in the Radio Regulations, 1986, as amended from time to time.

## J. Campus Radio

- As stated in *Campus radio policy*, Public Notice CRTC 2000-12, 28 January 2000, there are two types of campus radio stations, community-based campus and instructional. A community-based campus station's programming is primarily produced by volunteers, who are either students or community members. The primary objective of an instructional campus station is the training of professional broadcasters.

- There are currently 49 campus stations licensed across Canada, 40 community-based campus stations and 9 instructional campus stations.

- Of the community-based campus stations, 6 are French, 33 are English and one is bilingual.

- Of the instructional campus stations, one is French and 8 are English.

- The majority of campus radio revenues comes from sources other than advertising, for example, revenues from the educational institution they are associated with, grants, the local community, fund-raising, etc.

Table 2.24: Revenues for Community-Based Campus Radio Stations

| | 1998 | 1999 | 2000 | 2001 | 2002 |
|---|---|---|---|---|---|
| # of stations reporting | 26 | 29 | 21 | 21 | 20 |
| Local Advertising | $494,412 | $736,776 | $452,612 | $338,951 | $358,622 |
| National Advertising | 53,765 | 83,510 | 40,872 | 49,327 | 55,460 |
| Other | 3,238,828 | 3,801,269 | 3,000,631 | 2,685,742 | 2,490,698 |
| Total - Revenues | 3,919,019 | 4,621,556 | 3,494,115 | 3,074,019 | 2,904,780 |

Sources: CRTC Financial Database
CRTC Licence Application System

Table 2.25: Revenues for Instructional Campus Radio Stations

| | 1998 | 1999 | 2000 | 2001 | 2002 |
|---|---|---|---|---|---|
| # of stations reporting | 4 | 5 | 6 | 6 | 6 |
| Local Advertising | $234,453 | $151,997 | $104,613 | $132,611 | $149,242 |
| National Advertising | - | - | - | - | - |
| Other | 125,750 | 178,042 | 216,713 | 233,591 | 198,365 |
| Total - Revenues | 360,203 | 330,039 | 321,326 | 366,202 | 347,607 |

Sources: CRTC Financial Database
CRTC Licence Application System

## K. Community Radio

- As stated in *Community radio policy*, Public Notice CRTC 2000-13, 28 January 2000, there are two kinds of community radio stations: Type A and Type B. A community station is a Type A station if, at the time of licensing, no radio station other than the CBC is operating in the same language in all or part of its market. A community station is a Type B station if, at the time of licensing, there is at least one station, other than the CBC, operating in the same language in all or part of the same market.

- In addition to advertising revenues, community radio stations receive revenues from fund-raising, grants, and other sources.

- There are currently 42 Type A and 40 Type B community stations.

- Of the Type A community stations, 28 are French, 13 are English and one is bilingual.

- Of the Type B community stations, 19 are French, 19 are English, one is bilingual and one is multicultural.

Table 2.26: Revenues for Type A Community Stations ($ '000)

| | 1998 | 1999 | 2000 | 2001 | 2002 |
|---|---|---|---|---|---|
| # of stations reporting | 23 | 22 | 21 | 18 | 21 |
| Local Advertising | $2,009 | $2,090 | $2,053 | $2,059 | $1,816 |
| National Advertising | 365 | 472 | 529 | 645 | 470 |
| Other Revenues | 2,710 | 2,705 | 2,188 | 2,412 | 2,295 |
| Total - Revenues | 5,084 | 5,267 | 4,770 | 5,116 | 4,581 |

Source: CRTC Financial Database

Table 2.27: Revenues for Type B Community Stations ($ '000)

| | 1998 | 1999 | 2000 | 2001 | 2002 |
|---|---|---|---|---|---|
| # of stations reporting | 21 | 21 | 19 | 21 | 13 |
| Local Advertising | $3,220 | $2,852 | $2,132 | $2,298 | $1,674 |
| National Advertising | 449 | 538 | 596 | 552 | 288 |
| Other Revenues | 2,911 | 2,781 | 2,851 | 2,715 | 1,900 |
| Total - Revenues | 6,580 | 6,171 | 5,579 | 5,565 | 3,862 |

Source: CRTC Financial Database

## L. Ethnic Radio

- The Commission revised its ethnic broadcasting policy in *Ethnic Broadcasting Policy*, Public Notice CRTC 1999-117, 16 July 1999.

- The Commission considered that the primary goal of the policy was to ensure access to ethnic programming to the extent practicable, given resource limitations. As one way of furthering this objective, the Commission has licensed ethnic radio broadcasters that specialize in providing ethnic programming.

- There are currently 15 ethnic radio stations broadcasting in Canada. The following tables provide the languages of programming broadcast by each of these stations. The stations are grouped by the markets they are licensed to serve. The information comes from each individual station's programming schedule, as of October 2003.

- The Commission has licensed two additional ethnic radio stations that had not commenced operations as of October 2003. In *Ethnic FM radio station in Toronto*, Broadcasting Decision CRTC 2003-115, 17 April 2003, a new ethnic station was licensed for Toronto. In *Ethnic FM radio station in Montréal*, Broadcasting Decision CRTC 2003-194, 2 July 2003, a new ethnic station was licensed for Montréal.

## Table 2.28: Ethnic Radio, Vancouver

| | Weekly # of Broadcast Hours | | | |
|---|---|---|---|---|
| Language / Group | CHKG-FM | CHMB-AM | CJVB-AM | Total |
| Arabic | 0.2 | | | 0.2 |
| Bosnian | | | 0.5 | 0.5 |
| Brazilian | | 1 | | 1 |
| Briton | | | 0.25 | 0.25 |
| Cambodian | 1 | | 1 | 2 |
| Chinese – Cantonese | 18 | 95 | 95.5 | 208.5 |
| Chinese – Mandarin | 49 | 13.5 | 2 | 64.5 |
| Croatian | | | 1 | 1 |
| Danish | | 0.25 | 0.4 | 0.65 |
| Dutch | 1 | | 2 | 3 |
| English | 13.2 | | 1.3 | 14.5 |
| Fijian | 0.4 | | | 0.4 |
| French | 0.3 | | | 0.3 |
| Greek | | 0.5 | 2 | 2.5 |
| Hawaiian | 0.4 | | | 0.4 |
| Hindi | 0.5 | | | 0.5 |
| Icelandic | | 0.25 | | 0.25 |
| Indonesian | 1 | | 1 | 2 |
| Irish | | | 0.25 | 0.25 |
| Italian | | 0.5 | 3.5 | 4 |
| Japanese | | 7 | | 7 |
| Korean | 15 | | | 15 |
| Laotian | 1 | | 1 | 2 |
| Lingala | 0.3 | | | 0.3 |
| Macedonian | 1 | | 1 | 2 |
| Malaysian | | | 1 | 1 |
| Norwegian | | 0.25 | 0.4 | 0.65 |
| Persian | | | 2.5 | 2.5 |
| Philipino–Tagalog | 1 | 1 | | 2 |
| Polish | | | 0.5 | 0.5 |
| Portuguese | | 1 | | 1 |
| Punjabi | 3.5 | | | 3.5 |
| Romanian | | | 1 | 1 |
| Samoan | 0.4 | | | 0.4 |
| Scottish | | | 0.25 | 0.25 |
| Serbian | | | 1 | 1 |
| Spanish | 10 | 1 | 4.5 | 15.5 |
| Swedish | | 0.25 | 0.4 | 0.65 |
| Tahitian | 0.4 | | | 0.4 |
| Taiwanese | 5 | | | 5 |
| Tamil | | 0.5 | | 0.5 |
| Thai | | | 1 | 1 |
| Togan | 0.4 | | | 0.4 |
| Ukrainian | | 1 | | 1 |
| Vietnamese | 3 | | 0.5 | 3.5 |
| Welsh | | | 0.25 | 0.25 |
| Other | | 2 | | 2 |
| TOTAL | 126 | 125 | 126 | 377 |

## Table 2.29: Ethnic Radio, Edmonton, Calgary, Winnipeg

| | Weekly # of Broadcast Hours | | |
|---|---|---|---|
| Language / Group | Edmonton (CKER-FM) | Calgary (CHKF-FM) | Winnipeg (CKJS-AM) |
| Arabic | 2.5 | 1 | |
| Bosnian | | 0.5 | |
| Cambodian | | 1 | |
| Caribbean | | 5 | 1.25 |
| Chinese – Cantonese | 27 | 77.5 | 1 |
| Chinese – Mandarin | 3 | 5.5 | 7 |
| Croatian | 1 | | |
| Dutch | 3 | 2 | 0.5 |
| English | | 1.5 | |
| German | 7.75 | | 5 |
| Greek | 1 | | 1 |
| Hindi | 7 | 2 | 1 |
| Hispano American | | | 5 |
| Hungarian | 1 | 1 | 0.5 |
| Indonesian | | 1 | |
| Irish | | | 1 |
| Italian | 3.5 | | 5 |
| Korean | 0.5 | | |
| Laotian | | 1 | |
| Macedonian | | 1 | |
| Malaysian | | 1 | |
| Philipino – Tagalog | 2 | | 27 |
| Polish | 5.5 | 1 | 7 |
| Portuguese | 1.5 | | 4 |
| Punjabi | 2.5 | 10 | |
| Romanian | 1 | | |
| Russian | 0.5 | | 0.5 |
| Serbian | 0.5 | 1 | |
| Slovenian | | | 0.75 |
| Spanish | 9.5 | 9 | 2 |
| Thai | | 1 | |
| Ukrainian | 9 | 2 | 6 |
| Urdu | 0.5 | | |
| Vietnamese | 1 | 2 | 1 |
| Yiddish | | | 1 |
| TOTAL | 90.75 | 126 | 78.5 |

## Table 2.30: Ethnic Radio, Toronto

| Language/ Group | Weekly # of Broadcast Hours | | | | | | |
|---|---|---|---|---|---|---|---|
| | CHIN-AM | CHIN-FM | CHKT-AM | CIAO-AM | CIRV-FM | CJMR-AM | Total |
| Afghani | | | 10 | 3 | | | 13 |
| Albanian | | 1 | | | | | 1 |
| Arabic | 1 | | 1 | | | | 2 |
| Bengali | 1 | | | 2 | | 0.5 | 3.5 |
| Bosnian | | | 0.5 | | | | 0.5 |
| Brazilian | | | | | 1 | | 1 |
| Bulgarian | 1 | | | | | | 1 |
| Cambodian | | | 1 | | | | 1 |
| Caribbean | | | | 4 | 0.5 | 8 | 12.5 |
| Chinese – Cantonese | 17.5 | 25.5 | 56 | 5 | 14.75 | | 118.75 |
| Chinese – Mandarin | 2.5 | 0.5 | 7.5 | | 11.75 | | 22.25 |
| Croatian | 1 | 5 | 1.5 | 1.5 | | 2.5 | 11.5 |
| Dari | 0.5 | | | | | | 0.5 |
| Dutch | | | | | | 1.5 | 1.5 |
| English | 8 | 8 | 1 | 4.5 | 3 | | 24.5 |
| Ethiopian | | | | 3 | | | 3 |
| German | | 2.5 | | 15 | | | 17.5 |
| Greek | 12.5 | 5 | 1 | | | | 18.5 |
| Hindi | | 13 | 5 | 18 | | 11 | 47 |
| Hindi - Almendyya | | | | 2 | | | 2 |
| Hungarian | 1 | | | 2 | | | 3 |
| Indonesian | | | 1 | | | | 1 |
| Irish | | | 1 | | | | 1 |
| Italian | 61 | 24.5 | | 12 | | 1 | 98.5 |
| Korean | | | 12.5 | 10 | | | 22.5 |
| Kurdish | 0.75 | | | | | | 0.75 |
| Laotian | | | 1 | | | | 1 |
| Macedonian | 2.5 | 0.5 | 1 | | | | 4 |
| Malaysian | | | 2 | | | | 2 |
| Montenegri | | 0.5 | | | | | 0.5 |
| Oromo | 0.5 | | | | | | 0.5 |
| Pashto | 0.5 | | | | | | 0.5 |
| Philipino-Tagalog | 0.5 | | 1 | | | | 1.5 |
| Polish | | 10 | | 11 | 1 | 27.5 | 49.5 |
| Portuguese | | 17 | | 2 | 63.3 | 5 | 87.3 |
| Punjabi | | 7.5 | 7 | 25 | 9.6 | 57 | 106.1 |
| Romanian | 0.5 | | 1 | | | 0.5 | 2 |
| Russian | 2.5 | | | | 2.5 | | 5 |
| Serbian | | 1 | | | | | 1 |
| Serbo-Croatian | | 1 | | | | | 1 |
| Serbo-Chetnic | | 1 | | | | | 1 |
| Slovenian | | 1 | | | | | 1 |
| Somali | 3 | | 5 | 1 | | | 9 |
| Spanish | 2.5 | | | 4 | 9.2 | 1 | 16.7 |
| Swiss | | 0.5 | | | | | 0.5 |
| Thai | | | 2 | | | | 2 |
| Turkish | 0.75 | | | | | | 0.75 |
| Ukrainian | 2.5 | | | | 7.6 | 4.5 | 14.6 |
| Urdu | 2.5 | 1 | | 1 | | 4 | 8.5 |
| Various | | | | | | 0.5 | 0.5 |
| Vietnamese | | | 7 | | 2 | 1 | 10 |
| TOTAL | 126 | 126 | 126 | 126 | 126 | 125.5 | 755.5 |

Table 2.31: Ethnic Radio, Ottawa and Montréal

| Language / Group | Weekly # of Broadcast Hours | | |
|---|---|---|---|
| | Ottawa (CJLL-FM) | Montréal (CJWI-AM) | Montréal (CFMB-AM) |
| Arabic | 20 | 0.25 | 1.5 |
| Cambodian | | | 0.5 |
| Caribbean | 5 | | 1 |
| Chinese – Cantonese | 10.5 | | 1 |
| Chinese – Mandarin | 7 | | |
| Creole | | 5 | 8 |
| Dutch | 1 | | |
| English | 5 | | |
| Farsi | 2 | | |
| German | 2 | | 0.5 |
| Greek | 1 | | 16 |
| Gujurati | 1 | | |
| Hebrew | 1 | | 0.5 |
| Hindi | 5 | | 1 |
| Hungarian | 1 | | |
| Italian | 27 | | 72 |
| Lithuanian | | | 1 |
| Moroccan | | | 1 |
| Patua | 10.5 | | |
| Philipino - Tagalog | 1 | | 0.5 |
| Polish | 6 | | 3.75 |
| Portuguese | 2 | | 1.5 |
| Punjabi | 5 | | 0.5 |
| Romanian | | | 0.5 |
| Russian | 3 | | 0.5 |
| Serbian | 1 | | |
| Somali | 1 | | |
| Spanish | 4 | 7.5 | 3.75 |
| Tunisian | | | 1 |
| Ukrainian | 2 | | 1 |
| Urdu | 1 | | 0.5 |
| Vietnamese | 1 | | 1.5 |
| Yiddish | | | 1.5 |
| TOTAL | 126 | 12.75 | 120.5 |

- The majority of CJWI-AM's ethnic programming is in French.

## M. Native Radio

- Native radio is governed by the *Native Broadcasting Policy*, Public Notice CRTC 1990-89, 20 September 1990. The policy framework is designed to improve the quality and quantity of access by native broadcasters to the Canadian broadcasting system.

- These undertakings have a distinct role to play in fostering the development of aboriginal cultures and, where possible, the preservation of ancestral languages.

- The greatest concentration of activity in aboriginal broadcasting involves community-based radio stations in small remote locales.

- There are two types of Native radio stations:
  - Type A: A native radio station is a Type A station if, at the time the licence is issued or renewed, no other commercial AM or FM radio licence to operate a station in all or any part of the same market is in force.
  - As a result of the *Exemption order respecting certain native radio undertakings*, Public Notice CRTC 1998-62, 9 July 1998, Type A stations are no longer required to hold a broadcasting licence from the Commission.
  - Type B: A native radio station is a Type B station if, at the time the licence is issued or renewed, at least one other commercial AM or FM radio licence to operate a station in all or any part of the same market is in force. There are currently 49 Type B native radio stations licensed.

**Table 2.32: Revenues for Type B Native Stations ($ '000)**

| | 1998 | 1999 | 2000 | 2001 | 2002 |
|---|---|---|---|---|---|
| # of stations reporting | 14 | 14 | 13 | 10 | 14 |
| Local Advertising | 1,123 | 1,182 | 1,183 | 1,056 | 1,512 |
| National Advertising | 1 | 47 | 83 | 137 | 181 |
| Other Revenues | 3,376 | 3,359 | 4,031 | 4,943 | 7,036 |
| Total - Revenues | 4,501 | 4,589 | 5,297 | 6,137 | 8,729 |

Source: CRTC Financial Database

- The principal sources of revenue for Native radio stations are non-commercial.

## N. Religious Radio

- The Commission's *Religious Broadcasting Policy* is set out in Public Notice 1993-78, 3 June 1993.
- The Commission's approach to religious broadcasting is based on the following principles:
  - Recognition of alternative values: The policy recognizes the legitimate needs and interests of those who wish to receive various kinds of religious programming.
  - The importance of balance: Licensees are required to provide balance on matters of public concern and the Commission considers that religion is a matter of public concern. Balance means that a reasonably consistent listener will be exposed to a spectrum of differing views on issues of public concern within a reasonable period of time.
- There are currently 55 radio stations in Canada with a format based on spoken word religious programming, and/or religious music programming, 25 are French and 30 are English.

## O. Low Power Radio

- A new licensing policy for low power radio was issued in *Policy framework for community-based media*, Public Notice 2002-61, 10 October 2002. This new policy includes a definition of markets where low-power frequencies will be deemed to be scarce, circumstances where a low-power call for competing applications may occur and a priority system for assessing competing low power radio applications.

- The following table outlines the number of low and very low power radio stations in Canada as of August, 2003, by type:

**Table 2.33: Number of Originating Low and Very Low Power Private English-Language Radio Stations in Canada by Type**

| Tourist/ Travel | Native Type B | Religious | Community | | Campus | | Commercial | Total |
|---|---|---|---|---|---|---|---|---|
| | English/ Native | | Type A | Type B | Com-munity | Instruc-tional | | |
| 57 | 18 | 19 | 4 | 7 | 8 | 3 | 11 | 128 |

Source: CRTC Decisions

**Table 2.34: Number of Originating Low and Very Low Power Private French-Language Radio Stations in Canada by Type**

| Tourist/ Travel | Native Type B | Religious | Community | | Commercial | Total |
|---|---|---|---|---|---|---|
| | French / Native | | Type A | Type B | | |
| 3 | 5 | 23 | 6 | 2 | 1 | 38 |

Source: CRTC Decisions

**Table 2.35: Number of Originating Low and Very Low Power Radio Stations in Canada – Other than English or French Language**

| Tourist/Travel | Native Type B | Commercial | Total |
|---|---|---|---|
| Underwater Communications | Native only | Third Language | |
| 1 | 1 | 1 | 3 |

Source: CRTC Decisions

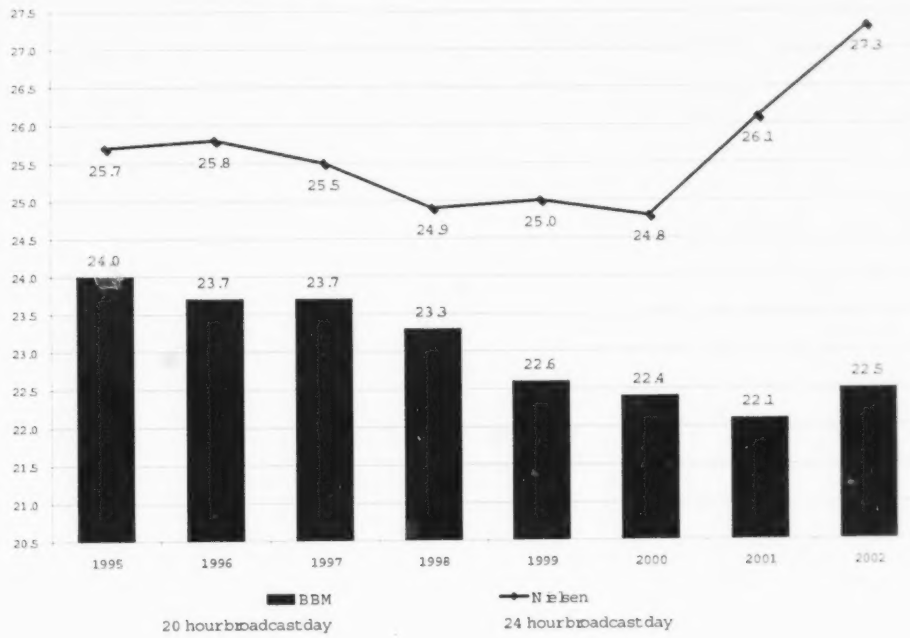
# III. Television

## A. Audience

### 1. Average Weekly Hours per Viewer

- BBM data indicates that the average total weekly hours per viewer 2+ increased in 2002 by approximately ½ hour.
- Nielsen Media Research reports an increase of 1.2 hours per week in 2002.

Chart 3.1: **Average Weekly Hours per Viewer – All Persons 2+**

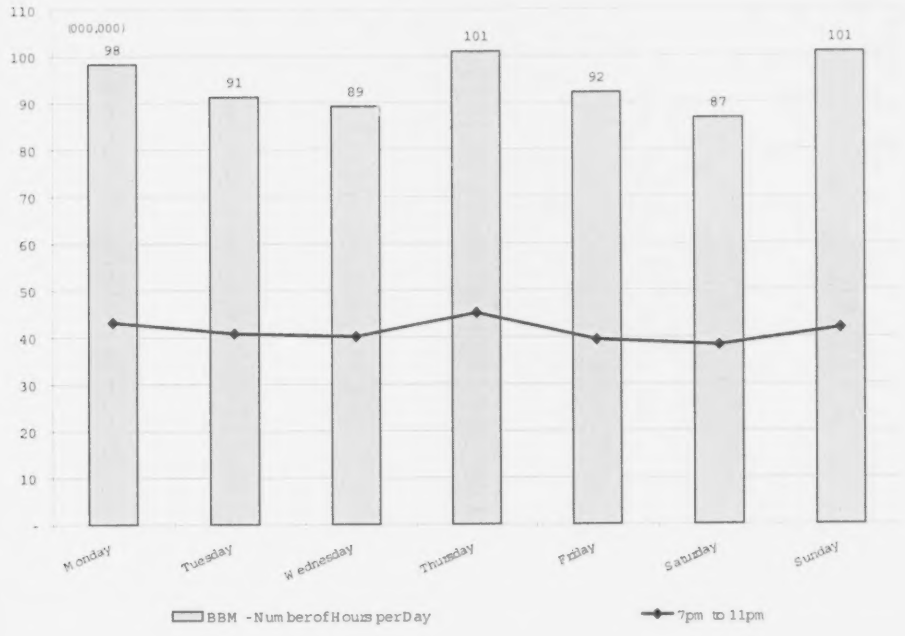



Sources: BBM: 2002-2003 Television Data Book; Nielsen Media Research; CBC Research

- On a per capita basis in 2002, the average weekly hours for Nielsen and BBM were 26.3 and 21.6 hours respectively.

## 2. Average Daily Viewing Hours

Chart 3.2: **Average Daily Viewing Hours - All Persons 2+ – BBM Fall 2002**




- Thursday, Sunday and Monday continue to be the most popular television viewing days of the week, as reported by both Nielsen and BBM.

## 3. Viewing Share by Station Group

### Table 3.1: Fall 1993 to Fall 2002 for All Persons 2+, All Regions Excluding Québec, Monday to Sunday, 6 a.m. to 2 a.m.

| Services | Viewing Share % - Fall | | | | | | | | | | Growth |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | 1993 | 1994 | 1995 | 1996 | 1997 | 1998 | 1999 | 2000 | 2001 | 2002 | 93 to 02 |
| Canadian Services: | | | | | | | | | | | |
| English-Language | | | | | | | | | | | |
| - Private Conventional | 45.3 | 44.4 | 43.8 | 42.3 | 39.6 | 37.5 | 37.6 | 35.9 | 33.3 | 34.8 | (10.5) |
| - CBC & Affiliates | 12.9 | 13.2 | 12.0 | 11.5 | 10.6 | 9.1 | 7.5 | 7.5 | 6.9 | 6.8 | (6.2) |
| - Pay & Specialty | 6.2 | 5.9 | 9.0 | 9.6 | 13.0 | 14.7 | 16.9 | 19.5 | 20.0 | 21.4 | 15.2 |
| - Digital Specialty * | | | | | | | | | 1.8 | 1.4 | 1.4 |
| - TVO | 0.8 | 1.0 | 1.0 | 1.1 | 1.2 | 1.3 | 1.2 | 1.3 | 1.0 | 1.2 | 0.4 |
| - Other *** | 0.6 | 0.7 | 0.7 | 0.8 | 0.8 | 0.7 | 0.8 | 0.7 | 1.1 | 1.4 | 0.8 |
| Total English | 65.9 | 65.2 | 66.4 | 65.2 | 65.3 | 63.3 | 64.0 | 65.0 | 64.1 | 66.9 | 1.1 |
| French-Language | | | | | | | | | | | |
| - Private Conventional | 0.6 | 0.6 | 0.5 | 0.5 | 0.5 | 0.5 | 0.5 | 0.6 | 0.5 | 0.4 | (0.2) |
| - SRC & Affiliates | 0.6 | 0.6 | 0.6 | 0.6 | 0.6 | 0.7 | 0.6 | 0.5 | 0.5 | 0.4 | (0.2) |
| - Pay & Specialty | 0.1 | 0.1 | 0.1 | 0.2 | 0.2 | 0.2 | 0.2 | 0.2 | 0.2 | 0.3 | 0.2 |
| Total French | 1.3 | 1.2 | 1.3 | 1.3 | 1.3 | 1.3 | 1.2 | 1.3 | 1.2 | 1.1 | (0.2) |
| Other Language | | | | | | | | | | | |
| - Private Conventional | - | - | - | - | 0.9 | 1.1 | 1.0 | 0.9 | 0.7 | 0.9 | 0.9 |
| - Pay & Specialty | 0.1 | 0.2 | 0.4 | 0.4 | 0.5 | 0.5 | 0.7 | 0.8 | 0.5 | 0.6 | 0.5 |
| - Digital Specialty * | | | | | | | | | - | 0.0 | 0.0 |
| Total Other | 0.1 | 0.2 | 0.4 | 0.4 | 1.4 | 1.6 | 1.7 | 1.7 | 1.2 | 1.6 | 1.4 |
| Total Cdn. Services | 67.3 | 66.6 | 68.1 | 66.9 | 68.0 | 66.3 | 66.9 | 68.0 | 66.5 | 69.6 | 2.3 |
| U.S. Services: | | | | | | | | | | | |
| - Conventional | 17.8 | 17.4 | 16.6 | 16.2 | 13.5 | 14.2 | 13.2 | 12.4 | 12.2 | 10.9 | (6.9) |
| - PBS | 2.8 | 2.5 | 2.3 | 2.4 | 2.3 | 1.8 | 1.7 | 1.9 | 1.8 | 1.4 | (1.4) |
| - Pay & Specialty ** | 5.5 | 6.5 | 5.9 | 6.8 | 7.4 | 9.4 | 10.2 | 11.5 | 13.4 | 11.9 | 6.3 |
| Total U.S. Services | 26.1 | 26.5 | 24.8 | 25.4 | 23.2 | 25.5 | 25.1 | 25.8 | 27.4 | 24.2 | (1.9) |
| Other | 0.9 | 1.0 | 1.0 | 1.3 | 2.8 | 2.5 | 2.3 | 1.1 | 1.2 | 1.2 | 0.3 |
| VCR | 5.7 | 5.9 | 6.1 | 6.3 | 6.0 | 5.8 | 5.8 | 5.1 | 4.7 | 5.1 | (0.7) |
| TOTAL | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | |
| Total Hours (000) | 448,541 | 471,494 | 488,749 | 486,246 | 488,769 | 503,072 | 478,576 | 471,298 | 472,840 | 486,011 | 37,470 |

* BBM Fall 2001 sample was conducted during the promotional viewing period.
** Includes viewing to non-U.S. pay & specialty service
*** Includes viewing to House of Commons (CPAC), Provincial Legislatures, Cable Community Channel, Other Educational and Religious
- As of Fall 1997, moved CFMT from English-Language to Other-Language.
Source: BBM Fall 1993-2002

- The total viewing share of Canadian English-language television services, in all regions excluding Québec, has remained relatively constant since 1993.

- BBM reports[1] that Canadian English-language pay and specialty services have increased their share of total viewing by 17% since 1993, reaching a 22.8% share of viewing in fall 2002.

- Neilsen[2] Research data reports that the share for Canadian English pay and specialty services in all regions excluding Québec averaged 31.1% over the period of October 28 to November 24, 2002.

[1] BBM: 20 hour broadcast day – 6 a.m. to 2 a.m.
[2] Nielsen: 24 hour broadcast day – 6 a.m. to 6 a.m.

## Table 3.2: Fall 1993 to Fall 2002 for All Persons 2+, Province of Québec, Monday to Sunday, 6 a.m. to 2 a.m.

| Services | Viewing Share % - Fall | | | | | | | | | | Growth |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | 1993 | 1994 | 1995 | 1996 | 1997 | 1998 | 1999 | 2000 | 2001 | 2002 | 93 to 02 |
| Canadian Services: | | | | | | | | | | | |
| French-Language | | | | | | | | | | | |
| - Private Conventional | 47.6 | 47.7 | 44.9 | 44.7 | 46.1 | 44.9 | 45.0 | 46.1 | 44.0 | 45.4 | (2.2) |
| - SRC & Affiliates | 22.8 | 20.4 | 22.7 | 21.6 | 19.8 | 21.1 | 20.0 | 17.5 | 17.8 | 14.9 | (7.9) |
| - Pay & Specialty | 5.6 | 5.6 | 8.4 | 10.0 | 10.4 | 10.5 | 11.2 | 13.5 | 15.7 | 17.5 | 11.9 |
| - TéléQuébec | 2.6 | 3.3 | 2.4 | 1.5 | 1.1 | 1.3 | 2.0 | 2.0 | 2.2 | 2.5 | (0.2) |
| Total French | 78.6 | 77.0 | 78.4 | 77.7 | 77.4 | 77.8 | 78.2 | 79.1 | 79.7 | 80.2 | 1.6 |
| English-Language | | | | | | | | | | | |
| - Private Conventional | 6.4 | 6.4 | 6.0 | 6.2 | 6.5 | 6.3 | 6.0 | 5.9 | 5.3 | 5.2 | (1.1) |
| - CBC & Affiliates | 2.1 | 2.3 | 2.1 | 2.1 | 1.9 | 1.6 | 1.2 | 1.3 | 1.1 | 1.1 | (1.0) |
| - Pay & Specialty | 0.9 | 0.9 | 1.3 | 1.4 | 2.1 | 2.0 | 2.3 | 2.6 | 2.7 | 3.0 | 2.1 |
| - Digital Specialty * | | | | | | | | | 0.4 | 0.3 | 0.3 |
| - Other *** | 0.3 | 0.4 | 0.3 | 0.5 | 0.3 | 0.3 | 0.3 | 0.4 | 0.4 | 0.4 | 0.1 |
| Total English | 9.7 | 9.9 | 9.7 | 10.1 | 10.7 | 10.2 | 9.8 | 10.1 | 9.9 | 10.0 | 0.4 |
| Other Language | | | | | | | | | | | |
| - Private Conventional | - | - | - | - | 0.1 | 0.1 | 0.1 | 0.1 | 0.3 | 0.5 | 0.5 |
| - Pay & Specialty | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.1 | 0.2 | 0.2 | 0.2 | 0.2 | 0.2 |
| Total autres langue | 0.0 | 0.0 | 0.0 | 0.0 | 0.1 | 0.2 | 0.3 | 0.3 | 0.5 | 0.7 | 0.7 |
| Total Cdn. Services | 88.3 | 86.9 | 88.1 | 87.9 | 88.3 | 88.2 | 88.2 | 89.5 | 90.1 | 91.0 | 2.7 |
| U.S. Services: | | | | | | | | | | | |
| - Conventional | 6.2 | 6.7 | 5.7 | 5.6 | 4.7 | 4.5 | 4.6 | 4.4 | 3.7 | 3.1 | (3.1) |
| - PBS | 1.1 | 1.2 | 0.9 | 0.9 | 0.7 | 0.7 | 0.6 | 0.7 | 0.5 | 0.4 | (0.7) |
| - Pay & Specialty ** | 0.2 | 0.2 | 0.6 | 0.6 | 0.9 | 1.0 | 1.1 | 1.4 | 1.9 | 1.6 | 1.4 |
| Total U.S. Services | 7.5 | 8.1 | 7.3 | 7.0 | 6.2 | 6.2 | 6.3 | 6.5 | 6.1 | 5.1 | (2.4) |
| Other | 0.6 | 0.7 | 0.7 | 0.8 | 1.3 | 1.4 | 1.7 | 0.9 | 0.9 | 0.8 | 0.2 |
| VCR | 3.6 | 4.3 | 4.0 | 4.4 | 4.2 | 4.2 | 3.8 | 3.2 | 2.9 | 3.1 | (0.6) |
| TOTAL | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | |
| Total Hours (000) | 174,513 | 187,524 | 190,479 | 190,299 | 189,195 | 188,637 | 181,056 | 173,099 | 170,205 | 173,355 | (1,178) |

* BBM Fall 2001 sample was conducted during the promotional viewing period.
** Includes viewing to non-U.S. pay & specialty service
*** Includes viewing to House of Commons (CPAC), Provincial Legislatures, Cable Community Channel, Other Educational and Religious
- As of Fall 1997, moved CFMT from English-Language to Other-Language.
Source: BBM Fall 1993-2002

- The total viewing share for Canadian French-language television services in Québec has remained relatively constant since 1993.
- BBM reports[3] that Canadian French-language pay and specialty services have increased their share of total viewing by about 11.9% since 1993, reaching a 17.5% share of viewing in Fall 2002 in the province of Québec.
- Nielsen[4] Research data reports that the share of French-language pay and specialty services in the province of Québec averaged 27.1% over the period of October 28 to November 24, 2002.

[3] BBM: 20 hour broadcast day - 6 a.m. to 2 a.m.
[4] Nielsen: 24 hour broadcast day - 6 a.m. to 6 a.m.

## 4. Viewing Share by Ownership Group

- In *Building on Success – A Policy Framework for Canadian Television*, Public Notice CRTC 1999-97, 11 June 1999 (the Television Policy), the Commission established that the renewal of all the conventional television licences held or controlled by a group will generally be considered by the Commission at the same time.

- This approach gives the Commission the opportunity to make a strategic assessment of the contribution of all aspects of a licensee's operations to the Canadian broadcasting system.

- Table 3.3 sets out the combined viewing share of conventional and specialty services controlled by the conventional English and French-language television ownership groups. This table reflects only those specialty services in which these groups have a 50% or greater ownership interest.

- This table shows that, on a combined basis, conventional television ownership groups have been able to maintain or increase their overall viewing share through acquisition and new specialty services.

- Table 3.4 sets out the combined viewing share of the pay, per-per-view (PPV) and specialty services controlled by the largest English and French-language ownership groups that are primarily Pay, PPV and specialty service operators. This table reflects only those services in which the groups have a 50% or greater ownership interest.

## Table 3.3: Combined Viewing Share of Conventional and Specialty Services Controlled, 50% or Greater, by Conventional English and French-Language TV Ownership Groups

| Ownership Group | Control (1) | Lang. | FALL - All Persons 2+, 6 a.m. to 2 a.m. | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | All Regions (Excl Québec) | | | | | | Province of Québec | | | | | |
| | | | 97 | 98 | 99 | 00 | 01* | 02 | 97 | 98 | 99 | 00 | 01* | 02 |
| Bell Globemedia (CTV) (2) | | | | | | | | | | | | | | |
| - CTV Conventional Stations | 100% | e | 15.9 | 14.3 | 15.0 | 14.2 | 14.2 | 14.9 | 0.7 | 0.6 | 1.0 | 0.9 | 3.6 | 3.5 |
| - Newsnet | 100% | e | 0.1 | 0.3 | 0.3 | 0.4 | 0.4 | 0.3 | - | - | - | - | 0.1 | 0.0 |
| - TalkTV | 100% | e | | | | - | - | 0.0 | | | | | - | - |
| - Comedy Network, The | 100% | e | 0.4 | 0.3 | 0.3 | 0.4 | 0.4 | 0.5 | - | | | | - | 0.0 |
| - ROBTV | 100% | e | | | | | 0.1 | 0.1 | | | | | - | 0.0 |
| - TSN (Sports Network, The) | 80% | e | | | | 2.3 | 2.2 | 2.4 | | | | 0.4 | 0.4 | 0.5 |
| - RDS (Réseau des sports) | 80% | f | | | | - | - | 0.1 | | | | 1.6 | 1.6 | 3.0 |
| - Discovery Channel, The | 64% | e | | | | 0.9 | 0.8 | 0.8 | | | | 0.2 | 0.2 | 0.2 |
| - Digital Specialty Services | | e | | | | | 0.3 | 0.2 | | | | | 0.1 | 0.0 |
| Total | | | 16.4 | 14.9 | 15.6 | 18.2 | 18.4 | 19.2 | 0.7 | 0.6 | 1.0 | 3.1 | 5.9 | 7.3 |
| CanWest Media | | | | | | | | | | | | | | |
| - Global Conventional Stations | 100% | e/o | 9.1 | 8.1 | 7.4 | 13.5 | 13.2 | 13.3 | 1.7 | 1.8 | 1.5 | 1.6 | 1.8 | 1.9 |
| - Prime TV | 100% | e | 0.1 | 0.5 | 0.4 | 1.1 | 1.2 | 1.1 | - | - | - | - | - | 0.1 |
| - Digital Specialty Services | | e | | | | | 0.4 | 0.3 | | | | | 0.1 | 0.1 |
| Total | | | 9.2 | 8.6 | 8.2 | 14.6 | 14.8 | 14.7 | 1.7 | 1.8 | 1.5 | 1.6 | 1.9 | 2.1 |
| CHUM | | | | | | | | | | | | | | |
| - CHUM Conventional Stations | 100% | e | 4.1 | 4.2 | 4.3 | 4.4 | 4.5 | 4.9 | 0.2 | 0.2 | 0.1 | 0.1 | 0.1 | 0.2 |
| - Bravo! | 100% | e | 0.4 | 0.4 | 0.3 | 0.5 | 0.4 | 0.7 | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 |
| - MuchMusic | 100% | e | 0.5 | 0.4 | 0.4 | 0.4 | 0.4 | 0.4 | - | - | - | 0.1 | - | 0.1 |
| - MuchMoreMusic | 100% | e | | 0.2 | 0.2 | 0.2 | 0.2 | 0.2 | | | | | - | 0.0 |
| - Space | 100% | e | 0.7 | 0.7 | 0.6 | 0.9 | 0.9 | 0.8 | - | 0.1 | 0.1 | 0.2 | 0.2 | 0.2 |
| - StarTV | 100% | e | | | 0.1 | 0.1 | 0.1 | 0.1 | | | | - | - | 0.0 |
| - Pulse 24 (CP24) | 70.1% | e | | 0.1 | 0.1 | 0.2 | 0.3 | 0.3 | | | | - | - | - |
| - Canadian Learning Channel (CLT) | 60% | e | | | - | - | 0.1 | 0.1 | | | | - | - | 0.0 |
| - MusiquePlus | 50% | f | - | - | - | - | - | 0.0 | 0.3 | 0.3 | 0.3 | 0.3 | 0.2 | 0.3 |
| - Musimax | 50% | f | - | - | - | - | - | 0.0 | 0.2 | 0.2 | 0.2 | 0.2 | 0.2 | 0.2 |
| - Digital Specialty Services | | e | | | | | 0.1 | 0.1 | | | | | - | 0.0 |
| Total | | | 5.7 | 6.0 | 6.0 | 6.7 | 7.0 | 7.6 | 0.8 | 0.9 | 0.8 | 1.0 | 0.8 | 1.1 |
| CBC / SRC | | | | | | | | | | | | | | |
| - Conventional - English Stations | 100% | e | 8.4 | 7.2 | 6.0 | 6.1 | 5.7 | 5.8 | 1.9 | 1.6 | 1.2 | 1.3 | 1.1 | 1.1 |
| - Newsworld | 100% | e | 0.9 | 0.9 | 0.7 | 1.0 | 1.0 | 0.9 | 0.2 | 0.1 | 0.1 | 0.1 | 0.2 | 0.2 |
| - Digital Specialty Service(s) | 100% | e | | | | | 0.0 | 0.0 | | | | | 0.0 | 0.0 |
| Subtotal - English Language | | | 9.3 | 8.1 | 6.7 | 7.1 | 6.7 | 6.7 | 2.1 | 1.7 | 1.3 | 1.4 | 1.3 | 1.3 |
| - Conventional - French Stations | 100% | f | 0.6 | 0.6 | 0.6 | 0.5 | 0.5 | 0.4 | 14.6 | 15.7 | 15.2 | 13.6 | 14.3 | 12.0 |
| - RDI (Réseau de l'information) | 100% | f | 0.1 | - | 0.1 | 0.1 | 0.1 | 0.1 | 1.1 | 1.5 | 1.2 | 1.2 | 2.7 | 1.9 |
| Subtotal - French Language | | | 0.7 | 0.6 | 0.7 | 0.6 | 0.6 | 0.5 | 15.7 | 17.2 | 16.4 | 14.8 | 17.0 | 13.9 |
| Total | | | 10.0 | 8.7 | 7.4 | 7.7 | 7.3 | 7.2 | 17.8 | 18.9 | 17.7 | 16.2 | 18.3 | 15.2 |
| Craig Media (3) | | | | | | | | | | | | | | |
| - Craig, Conventional Stations | | e | 1.0 | 1.3 | 1.5 | 1.4 | 1.1 | 1.0 | - | - | - | - | - | - |
| - Digital Specialty Services | | e | | | | | 0.1 | 0.1 | | | | | - | - |
| Total | | | 1.0 | 1.3 | 1.5 | 1.4 | 1.2 | 1.1 | - | - | - | - | - | - |
| Quebecor Media (4) (6) | | | | | | | | | | | | | | |
| - Conventional Stations | | f | - | - | - | - | 0.1 | 0.1 | - | 7.0 | 6.6 | 8.1 | 9.5 | 9.3 | 29.8 |
| - LCN (Le Canal Nouvelles) | | f | | | | | | - | | | | | | 0.9 |
| Total | | | - | - | - | - | 0.1 | 0.1 | - | 7.0 | 6.6 | 8.1 | 9.5 | 9.3 | 30.7 |
| Cogeco (5) (6) | | | | | | | | | | | | | | |
| - Conventional Stations | | f | - | - | - | - | - | - | - | 4.2 | 5.9 | 5.8 | 5.4 | 4.8 | 14.4 |
| Vidéotron (6) | | | | | | | | | | | | | | |
| - Conventional Stations | | f | 0.1 | 0.1 | 0.1 | 0.1 | - | | - | 33.7 | 32.5 | 31.2 | 30.4 | 29.0 | |
| - LCN (Le Canal Nouvelles) | | f | - | - | - | - | - | - | - | 0.1 | 0.3 | 0.5 | 0.6 | 0.6 | |
| Total | | | 0.1 | 0.1 | 0.1 | 0.1 | - | - | - | 33.8 | 32.8 | 31.7 | 31.0 | 29.6 | - |
| Total viewing share - Conventional | | | 39.2 | 35.7 | 34.8 | 40.2 | 39.3 | 40.3 | - | 30.3 | 32.4 | 32.9 | 32.4 | 35.0 | 62.9 |
| Total viewing share - Specialty | | | 3.2 | 3.9 | 4.0 | 8.6 | 9.5 | 9.5 | - | 35.7 | 35.1 | 33.7 | 35.4 | 35.6 | 7.9 |
| Total Viewing Share - Conventional & Specialty | | | 42.4 | 39.6 | 38.8 | 48.8 | 48.8 | 49.8 | - | 66.0 | 67.5 | 66.6 | 67.8 | 70.6 | 70.8 |

Sources: BBM Fall 1997 to 2002; Economic Analysis and Research Broadcasting Directorate, CRTC;
CRTC Acquisitions and Ownership Policy Section.

* BBM sample was conducted during the introductory promotional viewing period for digital specialty services.

(1) Percentage of direct and indirect voting interest;

(2) BCE Inc. holds a 68.5% voting interest in Bell Globemedia Inc; the 1997 viewing shares includes Baton stations and CTV Network (Baton acquired control of CTV Network in October 31, 1998); CTV acquired NetStar March 24, 2000 and therefore acquired controlling interest in TSN, RDS and Discovery specialty channels; BCE Inc. acquired controlling interest in CTV on December 7, 2000. BGM sold its interest in Canal Évasion January 2003.

(3) Manalta Investments Company Ltd. (Craig Family) holds 87.71% of the Voting interest of Craig Media Inc.
(4) Quebecor inc. directly and indirectly owns and control 54.72% of the voting interest of Quebecor Media Inc.
(5) Cogeco inc. holds through subsidiaries 60% of the voting interest of TQS inc.
(6) TVA conventional television stations & LCN were controlled by Vidéotron from 1997 to 2001. Quebecor acquired controlling interest of these services in 2002. TQS inc. conventional stations were controlled by Quebecor from 1997 to 2001. Cogeco acquired controlling intrnest in 2002. Refer to Chart 3.27 for details.

## Table 3.4: Combined Viewing Share of Specialty Services Controlled, 50% or Greater, by the Three Largest English and French-Language Ownership Groups that Are Primarily Pay, PPV and Specialty Service Operators

| Ownership Group | Control (1) | Lang. | FALL - All Persons 2+, 6 a.m. to 2 a.m. | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | All Regions Excl Québec | | | | | | Province of Québec | | | | | |
| | | | 97 | 98 | 99 | 00 | 01* | 02 | 97 | 98 | 99 | 00 | 01* | 02 |
| Astral Media | | | | | | | | | | | | | | |
| - TMN, The Movie Network | 100% | e | 0.3 | 0.3 | 0.6 | 0.7 | 0.7 | 0.7 | 0.1 | 0.1 | 0.1 | 0.2 | 0.1 | 0.2 |
| - Super Écran | 100% | f | - | - | - | - | - | - | 1.1 | 1.3 | 1.2 | 1.6 | 1.7 | 1.9 |
| - Moviepix! (The Classic Channel) | 100% | e | - | 0.1 | 0.2 | 0.2 | 0.2 | 0.2 | - | - | - | 0.1 | 0.1 | 0.1 |
| - VRAK-TV (Canal Famille) | 100% | f | - | - | - | - | - | - | 1.9 | 1.3 | 1.3 | 0.8 | 1.9 | 2.1 |
| - Canal D | 100% | f | - | - | - | - | - | - | 0.9 | 1.1 | 1.1 | 1.0 | 1.0 | 1.2 |
| - Canal Vie | 100% | f | - | - | - | - | - | - | 0.3 | 0.5 | 0.7 | 0.9 | 0.8 | 1.0 |
| - Canal Z | 100% | f | | | | - | - | - | | | | 0.4 | 0.5 | 0.5 |
| - Family Channel, The | 100% | e | 0.6 | 0.5 | 0.7 | 0.8 | 0.9 | 0.9 | - | - | - | - | - | - |
| - Viewer's Choice Canada | 50.1% | e | - | - | 0.1 | - | 0.1 | 0.1 | - | - | - | - | - | - |
| - Séries + | 50% | f | | | | - | - | - | | | | 0.9 | 0.8 | 1.1 |
| - Historia | 50% | f | | | | - | - | - | | | | 0.4 | 0.3 | 0.5 |
| - MusiquePlus | 50% | f | - | - | - | - | - | - | 0.3 | 0.3 | 0.3 | 0.3 | 0.2 | 0.3 |
| - Musimax | 50% | f | - | - | - | - | - | - | 0.2 | 0.2 | 0.2 | 0.2 | 0.2 | 0.2 |
| Total | | | 0.9 | 0.9 | 1.5 | 1.7 | 1.9 | 1.8 | 4.9 | 4.7 | 4.8 | 6.3 | 7.7 | 8.9 |
| Corus | | | | | | | | | | | | | | |
| - Conventional Television Stations | 100% | e | | | | 0.5 | 0.1 | 0.3 | | | | 0.6 | - | - |
| - Super Channel, Movie Central | 100% | e | 0.2 | 0.2 | 0.3 | 0.4 | 0.6 | 0.7 | - | - | - | - | - | - |
| - MovieMax! | 100% | e | 0.0 | 0.0 | 0.0 | 0.1 | 0.1 | 0.1 | - | - | - | - | - | - |
| - YTV | 100% | e | 1.8 | 1.7 | 1.9 | 1.6 | 1.4 | 1.1 | 0.5 | 0.3 | 0.4 | 0.3 | 0.3 | 0.1 |
| - Treehouse TV | 100% | e | 1.0 | 1.2 | 1.3 | 1.8 | 0.6 | 0.9 | 0.2 | 0.1 | 0.1 | 0.1 | 0.1 | 0.0 |
| - W (Women's Television Network) | 100% | e | | | | | 0.6 | 0.5 | | | | | - | - |
| - CMT (Country Music Television) | 90% | e | 0.4 | 0.3 | 0.4 | 0.5 | 0.4 | 0.5 | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 |
| - Telelatino | 50.5% | o | | | | | 0.1 | 0.1 | | | | | 0.1 | 0.1 |
| - Digital Specialty Services | | e | | | | | 0.2 | 0.1 | | | | | - | - |
| Total | | | 3.4 | 3.5 | 3.9 | 4.8 | 4.0 | 4.3 | 0.7 | 0.5 | 0.5 | 1.1 | 0.6 | 0.3 |
| Alliance Atlantis | | | | | | | | | | | | | | |
| - Showcase | 100% | e | 0.4 | 0.4 | 0.5 | 0.6 | 0.6 | 0.4 | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 | 0.0 |
| - Life Network, The | 100% | e | 0.3 | 0.3 | 0.3 | 0.3 | 0.3 | 0.3 | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 |
| - History Channel, The | 100% | e | 0.5 | 0.6 | 0.5 | 0.8 | 0.7 | 0.7 | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 |
| - HGTV Canada | 80.24% | e | 0.2 | 0.3 | 0.3 | 0.3 | 0.5 | 0.6 | - | - | - | - | - | 0.1 |
| - Food Network Canada | 57.6% | e | | | | 0.3 | 0.3 | 0.4 | | | | - | - | 0.0 |
| - Historia | 50% | f | | | | - | - | - | | | | 0.4 | 0.3 | 0.5 |
| - Séries + | 50% | f | | | | - | - | - | | | | 0.9 | 0.8 | - |
| - Digital Specialty Services | | e | | | | | 0.3 | 1.1 | | | | | 0.1 | 0.1 |
| Total | | | 1.4 | 1.6 | 1.6 | 2.3 | 2.6 | 3.6 | 0.2 | 0.2 | 0.2 | 1.5 | 1.5 | 0.3 |

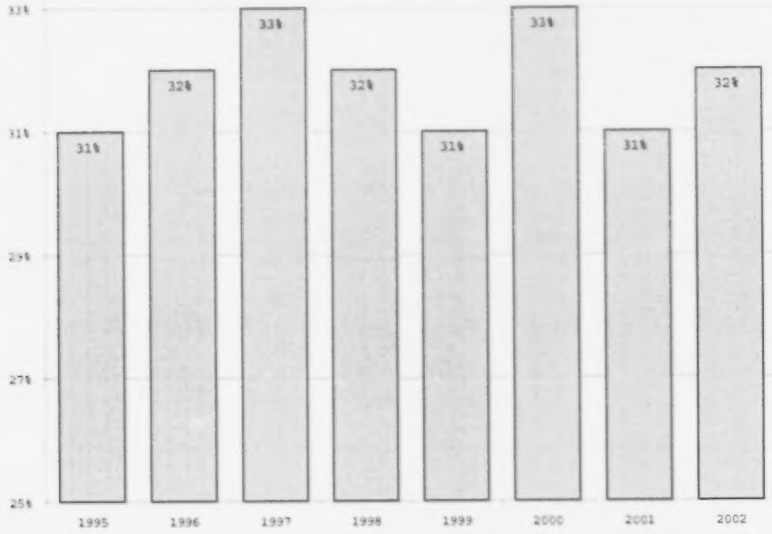
Sources: BBM Fall 1997 to 2002; Economic Analysis and Research, Broadcasting Directorate, CRTC;
CRTC Acquisition and Ownership Policy Section
* BBM sample was conducted during the promotional viewing period for digital specialty services.
(1) Percentage of direct and indirect voting interest;

## 5. Viewing to Canadian Programming

### a) % Viewing to Canadian Programming – 6 a.m. to 2 a.m.

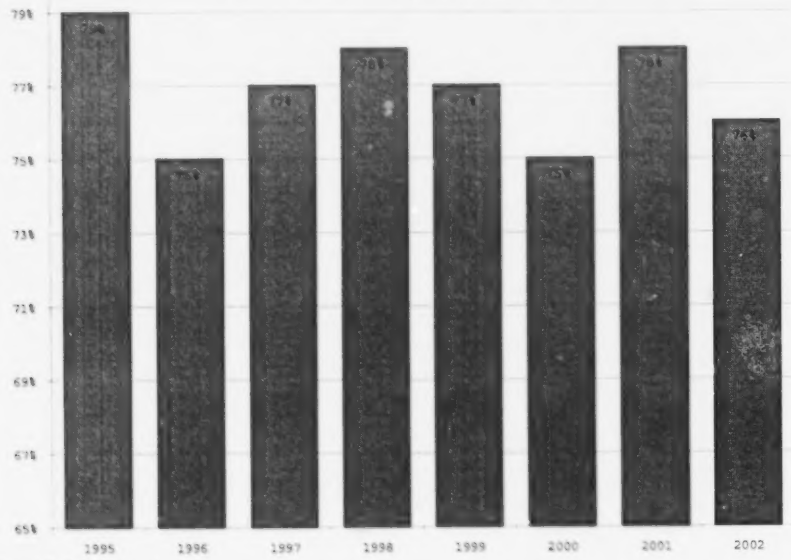
Charts 3.3 and 3.4 outline the level of viewing to Canadian programs as a percentage of all viewing to all foreign and Canadian programs available in Canada.

Chart 3.3: **Viewing to Canadian Programs as a Percentage of all English-Language Programs**




Source: BBM and CRTC Research

Chart 3.4: **Viewing to Canadian Programs as a Percentage of all French-Language Programs**




Source: BBM and CRTC Research

## b) Distribution of Viewing by Program Type

- Charts 3.5 through 3.16 compare the viewing levels to Canadian and foreign programs distributed by Canadian broadcasters by program type.
- The source for these charts is BBM and CRTC Research.

### i) English-Language – Canadian Private Conventional TV

Chart 3.5: **Broadcast Day – 6 a.m. to 2 a.m. Persons 2+**

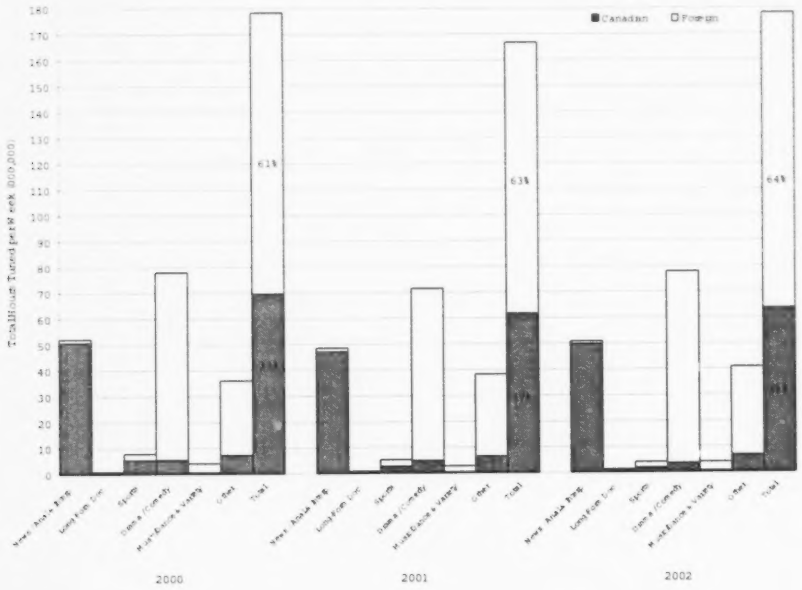
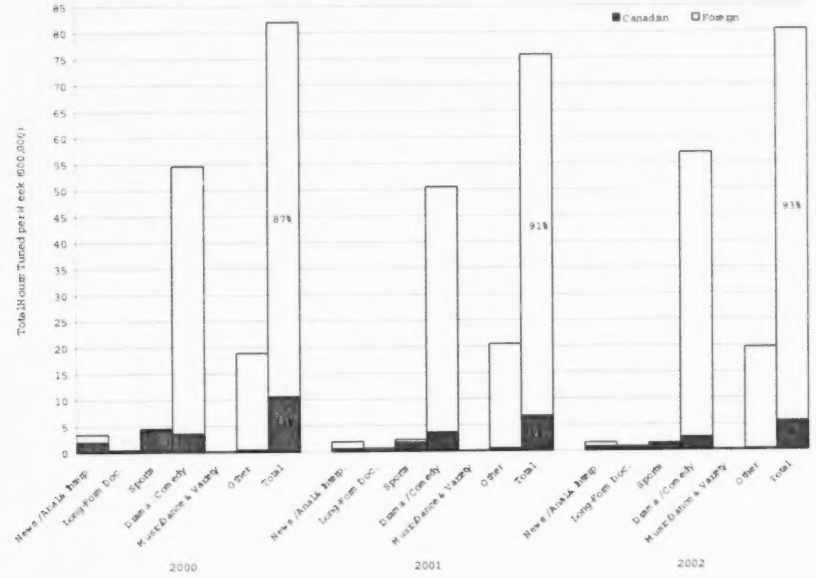
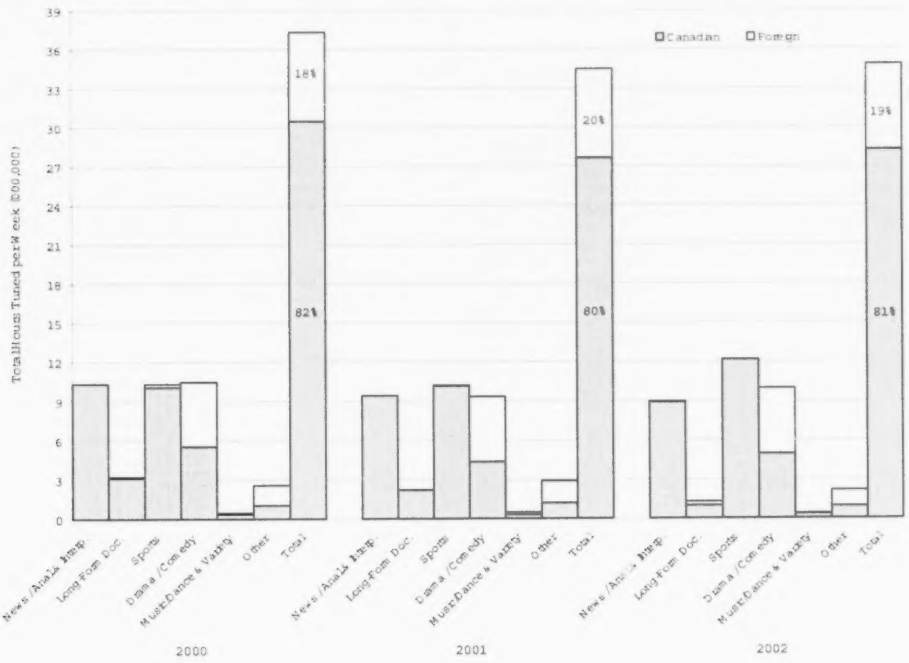



Chart 3.6: **Peak Viewing Period – 7 p.m. to 11 p.m. Persons 2+**

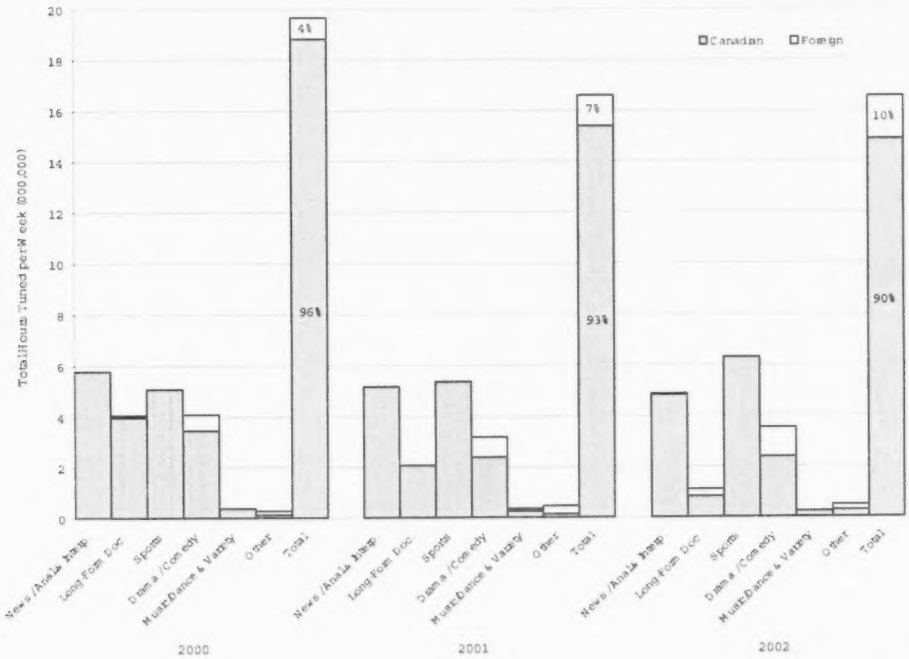


## ii) English-Language – CBC (owned & operated) and Affiliates

### Chart 3.7: Broadcast Day – 6 a.m. to 2 a.m. Persons 2+




### Chart 3.8: Peak Viewing Period – 7 p.m. to 11 p.m. Persons 2+



## iii) English-Language – Canadian Pay & Specialty Services

Chart 3.9: **Broadcast Day – 6 a.m. to 2 a.m. Persons 2+**

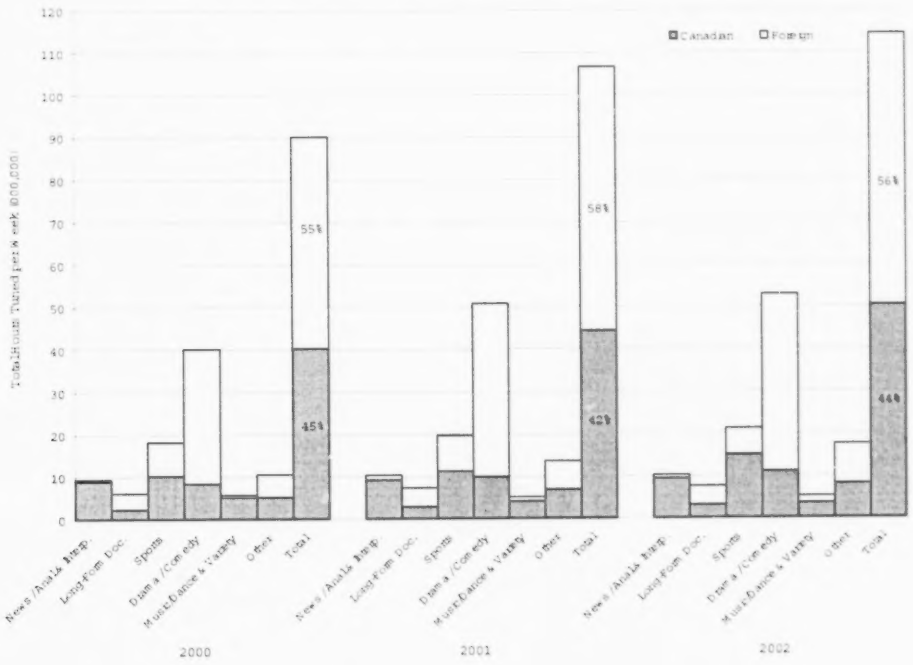
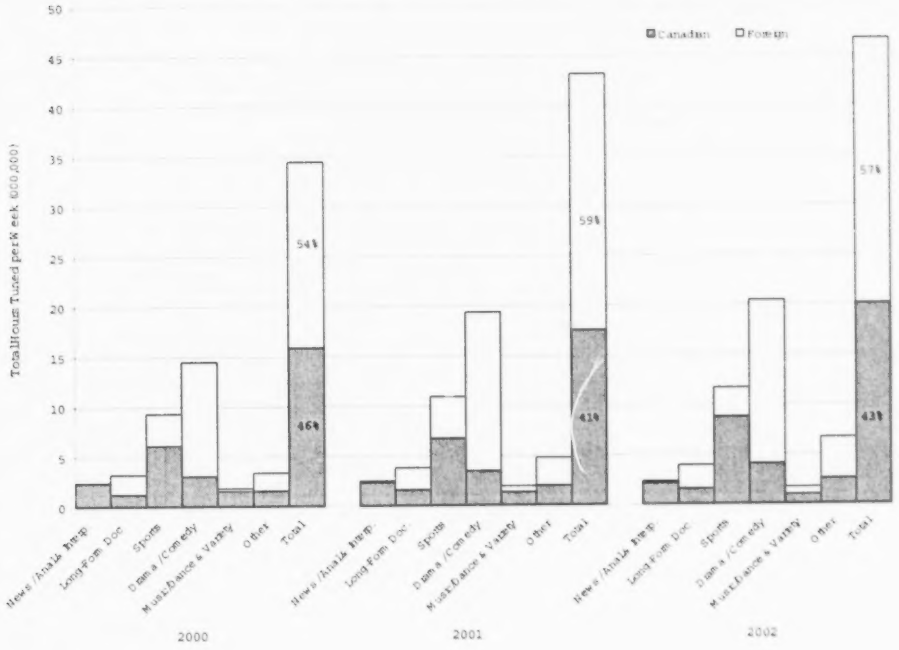



Chart 3.10: **Peak Viewing Period – 7 p.m. to 11 p.m. Persons 2+**



## ii) English-Language – CBC (owned & operated) and Affiliates

Chart 3.7: **Broadcast Day – 6 a.m. to 2 a.m. Persons 2+**

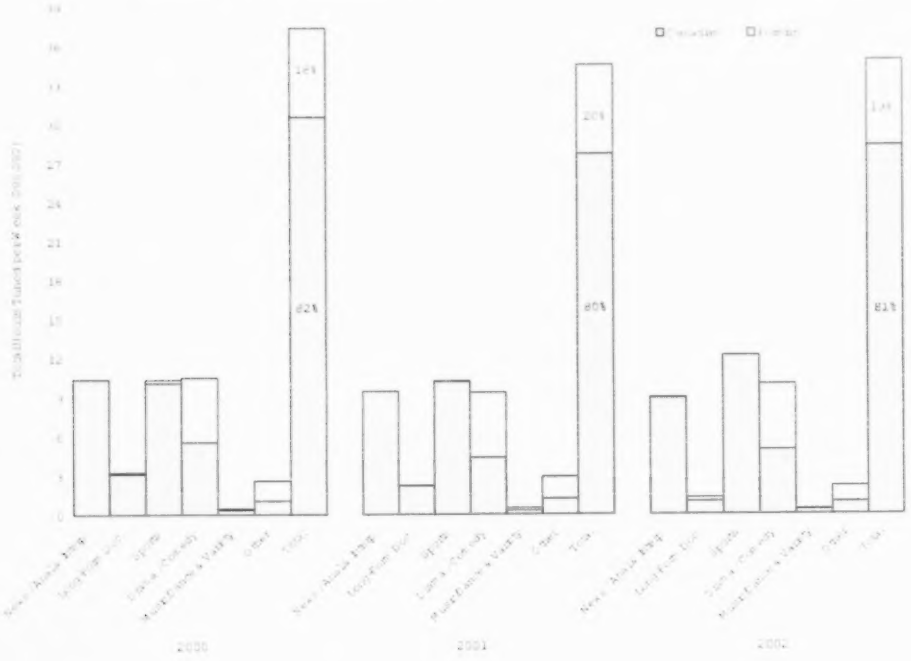
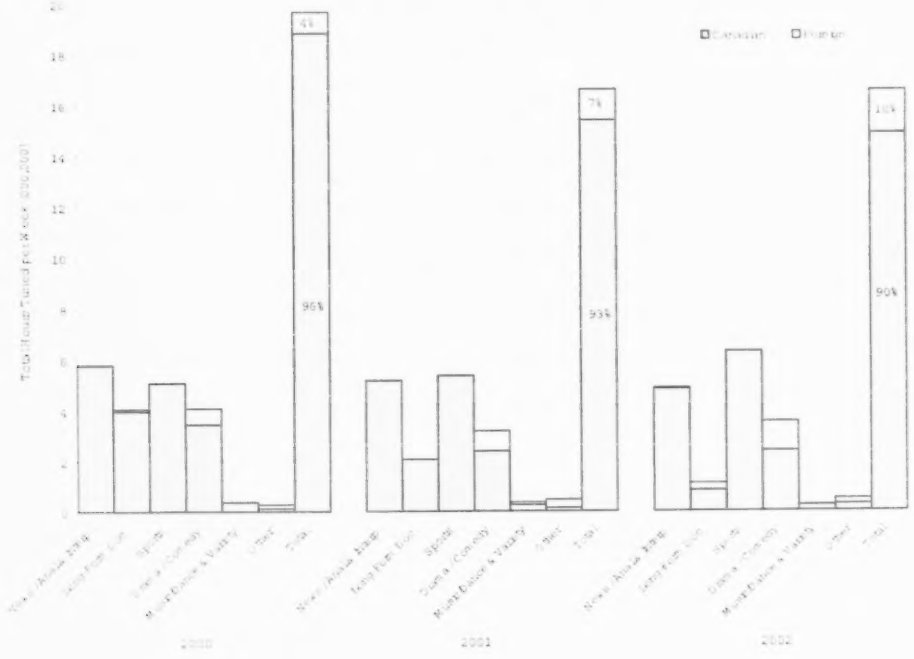


Chart 3.8: **Peak Viewing Period – 7 p.m. to 11 p.m. Persons 2+**



## iii) English-Language – Canadian Pay & Specialty Services

Chart 3.9 Broadcast Day – 6 a.m. to 2 a.m. Persons 2+

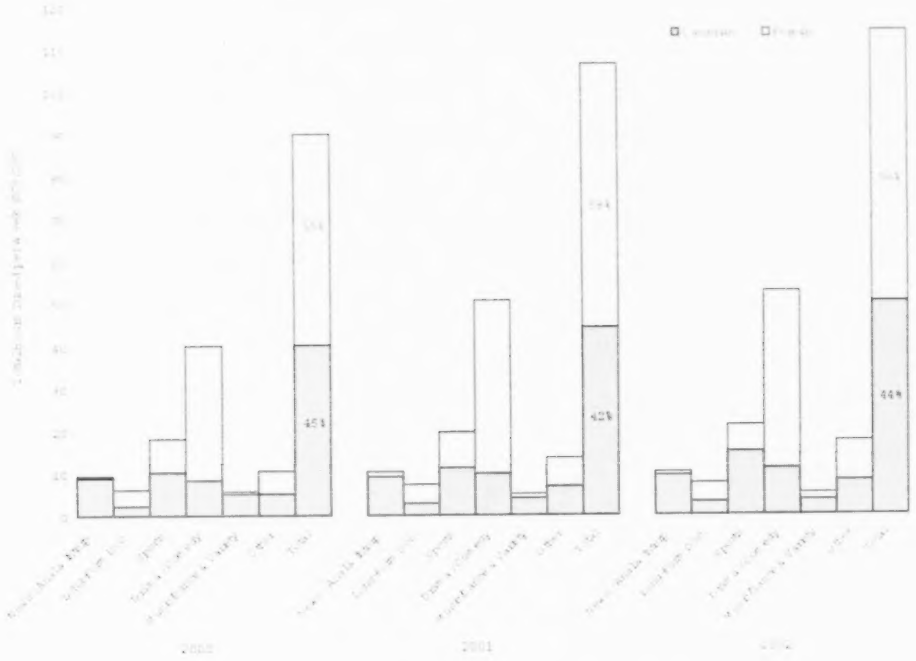
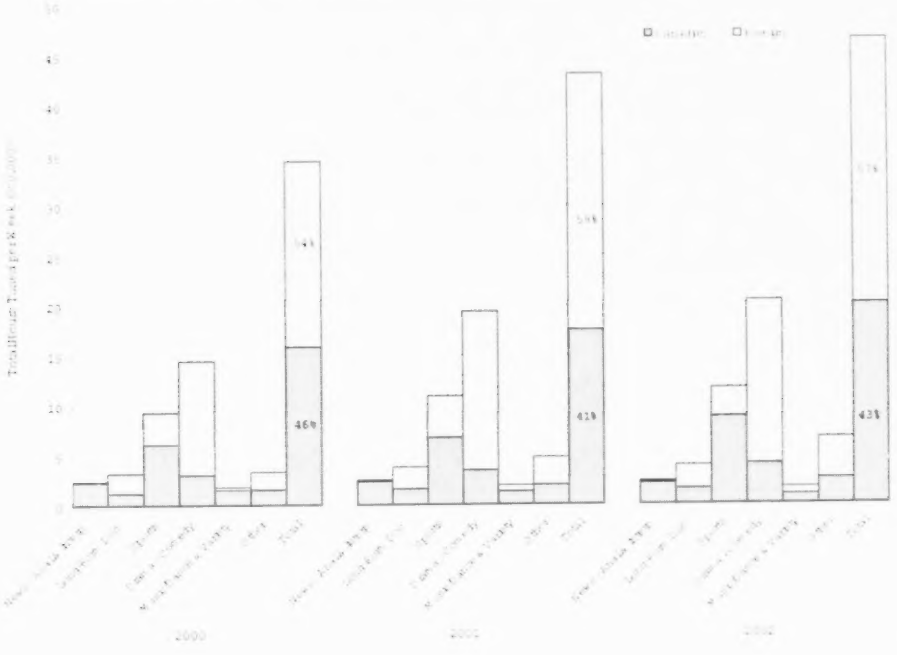
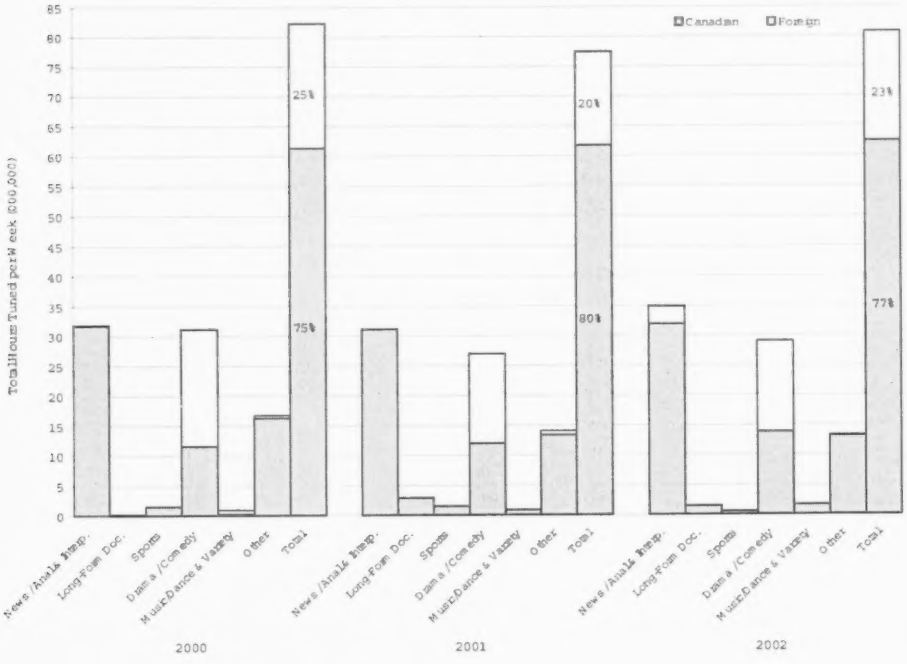


Chart 3.10 Peak Viewing Period – 7 p.m. to 11 p.m. Persons 2+

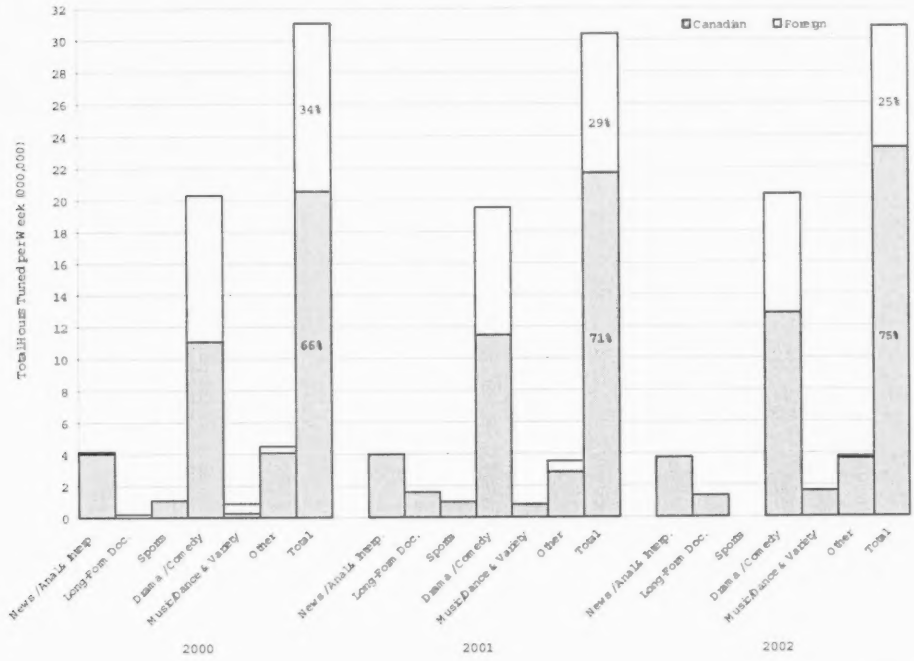


## iv) French-Language – Canadian Private Conventional TV

### Chart 3.11: Broadcast Day – 6 a.m. to 2 a.m. Persons 2+




### Chart 3.12: Peak Viewing Period – 7 p.m. to 11 p.m. Persons 2+



## v) French-Language – SRC (owned & operated) and Affiliates

Chart 3.13: **Broadcast Day – 6 a.m. to 2 a.m. Persons 2+**

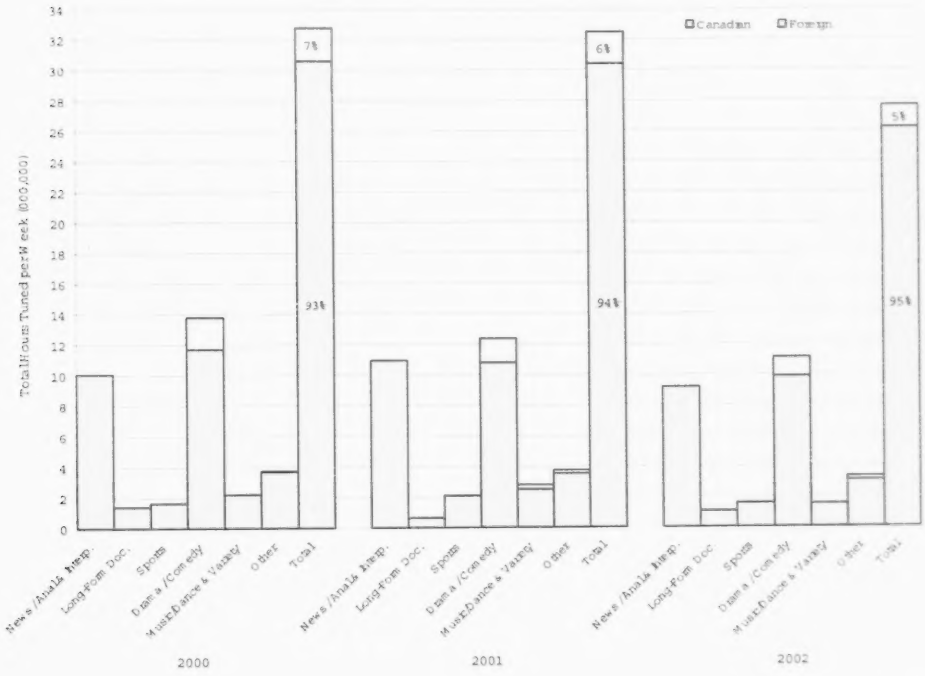
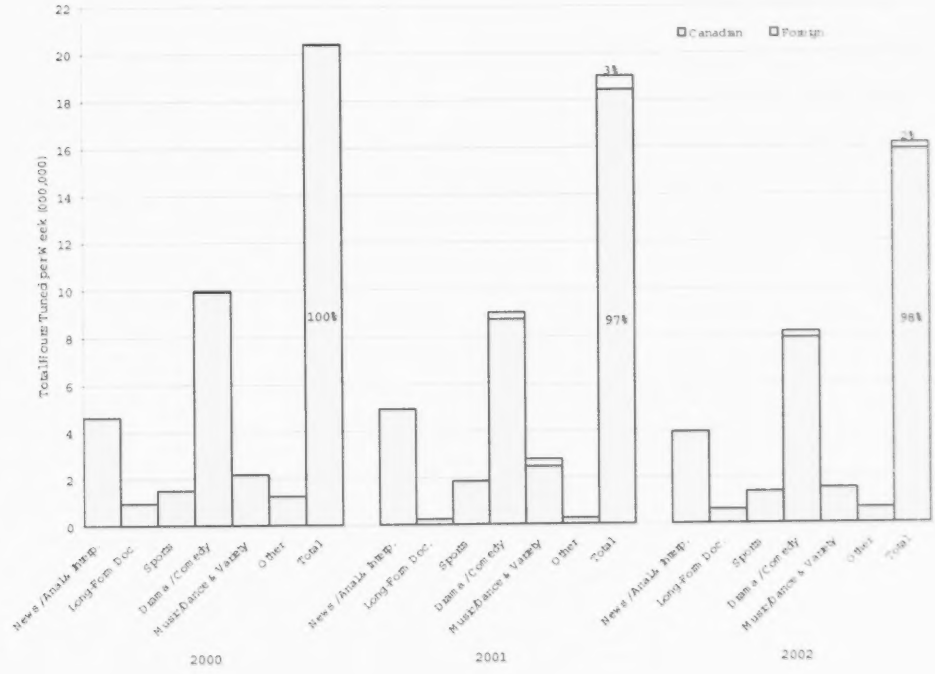



Chart 3.14: **Peak Viewing Period – 7 p.m. to 11 p.m. Persons 2+**



## iv) French-Language – Canadian Private Conventional TV

Chart 3.11: Broadcast Day – 6 a.m. to 2 a.m. Persons 2+

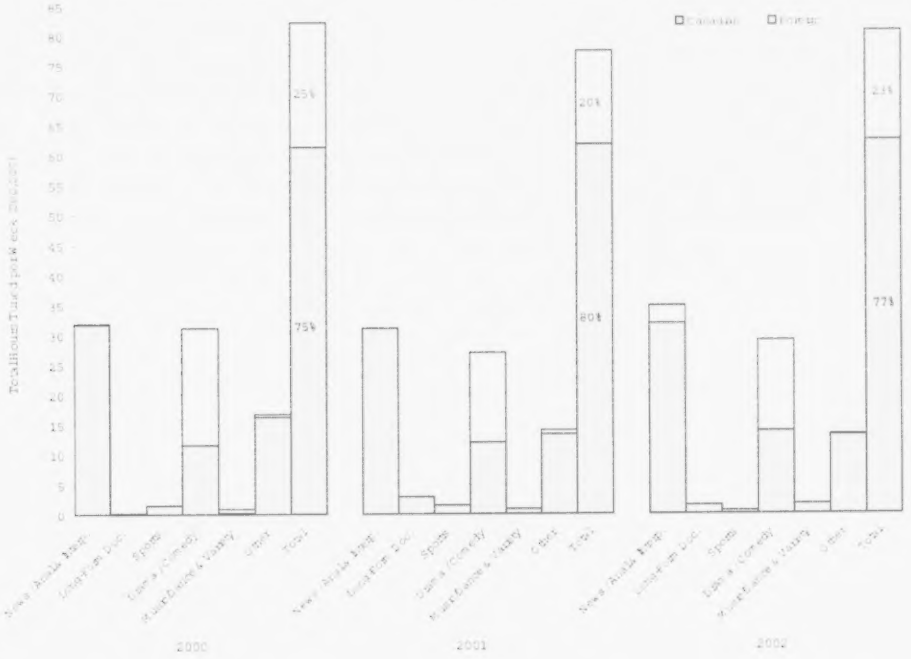
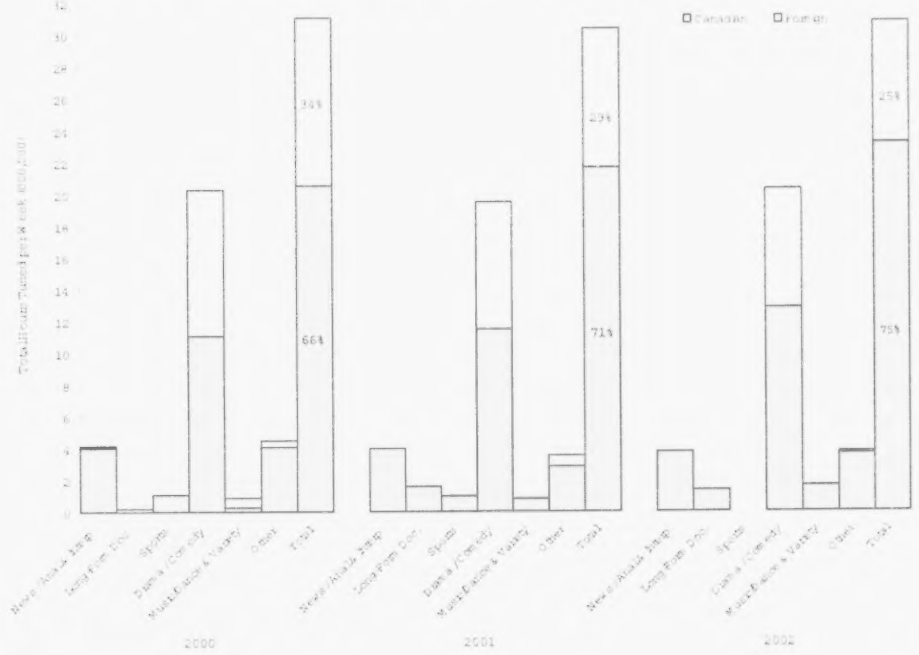



Chart 3.12: Peak Viewing Period – 7 p.m. to 11 p.m. Persons 2+



## v) French-Language – SRC (owned & operated) and Affiliates

Chart 3.13: **Broadcast Day – 6 a.m. to 2 a.m. Persons 2+**

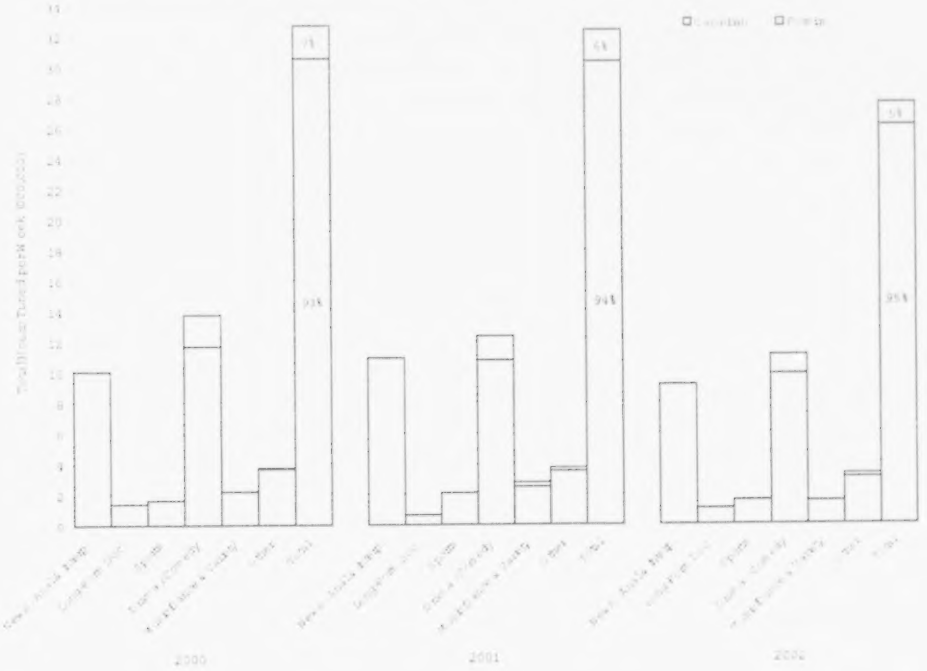
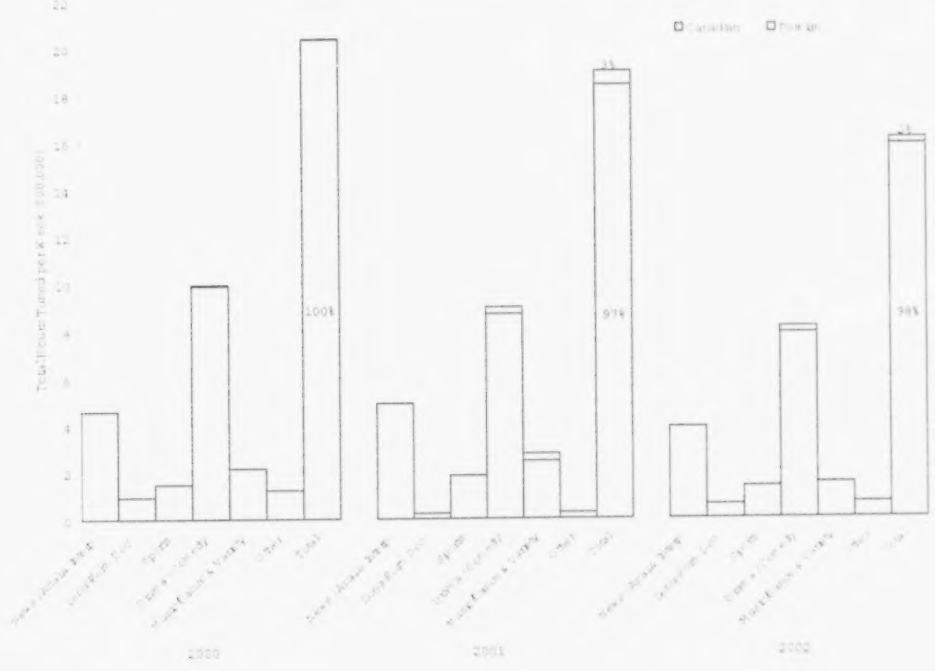


Chart 3.14: **Peak Viewing Period – 7 p.m. to 11 p.m. Persons 2+**



## vi) French-Language – Canadian Pay & Specialty Services

Chart 3.15 Broadcast Day – 6 a.m. to 2 a.m. Persons 2+

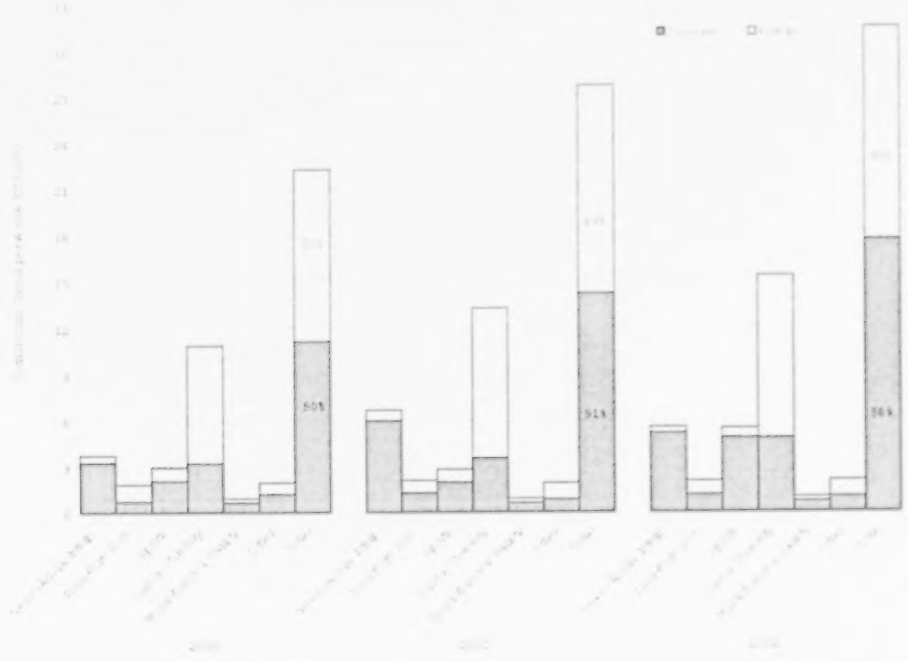
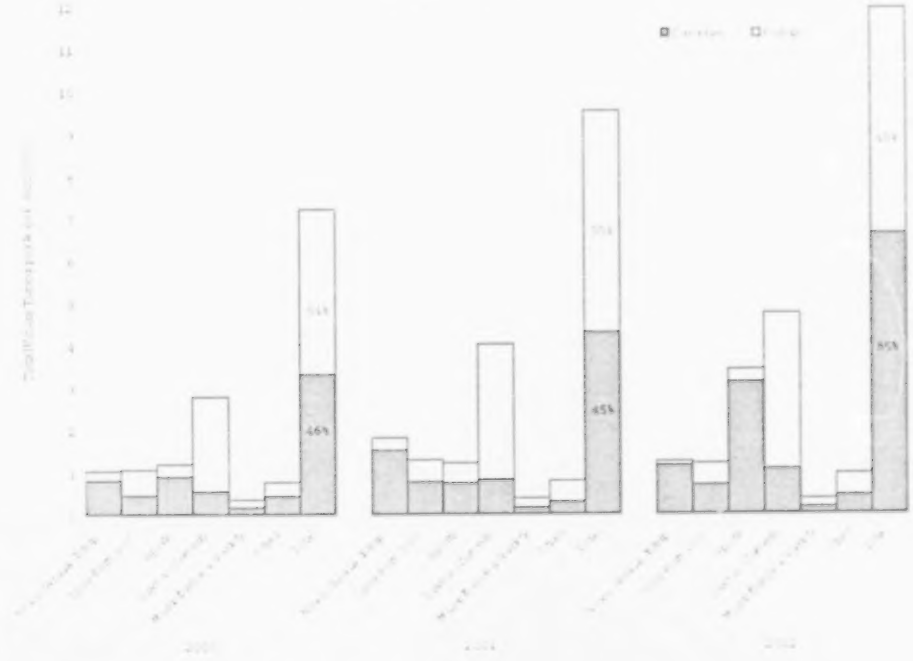


Chart 3.16 Peak Viewing Period – 7 p.m. to 11 p.m. Persons 2+



## vi) French-Language – Canadian Pay & Specialty Services

Chart 3.15: **Broadcast Day – 6 a.m. to 2 a.m. Persons 2+**

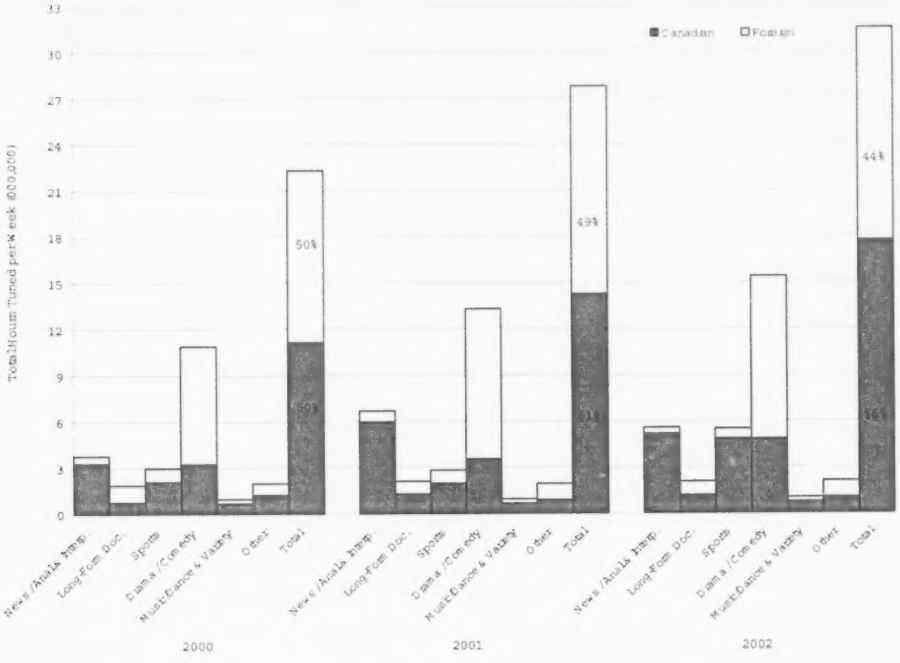
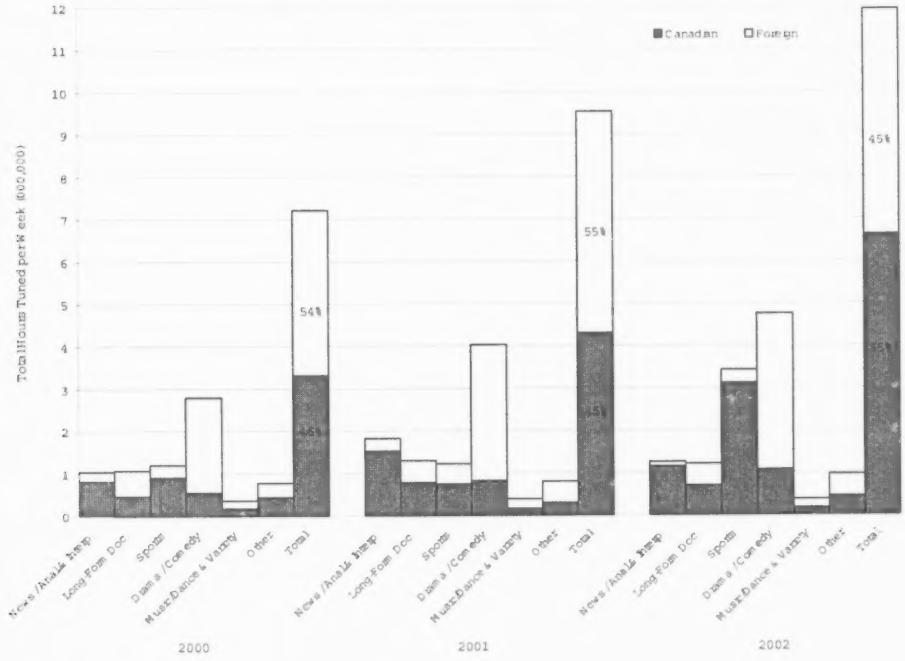



Chart 3.16: **Peak Viewing Period – 7 p.m. to 11 p.m. Persons 2+**



## B. Canadian Priority Programming

- In *Building on Success – A Policy Framework for Canadian Television*, Public Notice CRTC 1999-97, 11 June 1999 (the Television Policy), the Commission indicated that one of its goals in developing the policy is to *"ensure quality Canadian programs at times when Canadians are watching"*.

- The Television Policy states that the Commission wishes to ensure the availability of a range of diverse programming in a sufficient number of hours to attract audiences to Canadian programming during peak viewing periods (7 p.m. to 11 p.m.).

- "Under-represented Canadian programming" (drama, music and dance, and variety programs) was redefined as "priority programming" and expanded to include long-form documentaries, regionally produced programs and entertainment magazines programs.

- The Television Policy also required that the large multi-station ownership groups offer as a minimum, in each broadcast year, an average of 8 hours per week of priority Canadian programming during the 7 p.m. to 11 p.m. peak viewing period. This requirement is in addition to any benefit commitments made by these broadcasters in connection with transfers of ownership or control. Currently, CTV, Global and TVA meet the Commission's definition of large multi-station ownership groups. Other conventional ownership groups, such as CHUM and Craig, have committed to the 8 hours per week requirement as a result of transfers or new licensing applications.

- The 150% dramatic time-credit that previously could be applied against regulated Canadian content requirements was also discontinued for the large multi-station ownership groups. In its place, the Commission introduced a 150% time-credit for Canadian dramas that receive the full 10 Canadian key creative points and 125% for Canadian drama programs that receive between 6 and 9 points. The broadcasters can apply these time-credits against their minimum 8-hour per week priority programming requirement.

- The majority of the television stations controlled by CTV and Global were renewed in 2001[5]. TVA's network television licence and its mother station CFTM-TV Montréal were also renewed[6]. In its renewal decisions, the Commission indicated that it would be monitoring and evaluating Canadian priority programming scheduling practices and related audience levels, in order to test whether the goals of the Television Policy were being achieved.

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[5] Licence renewals for the television stations controlled by CTV, Decision CRTC 2001-457, 2 August 2001; Licence renewals for the television stations controlled by Global, Decision CRTC 2001-458, 2 August 2001.

[6] *Licence renewals for the French-language national television network TVA and for the French-language television programming undertaking CFTM-TV Montréal, Decision CRTC 2001-385, 5 July 2001.*

- The 2001 renewal decisions for TVA and CTV also outlined significant transfer benefits related to priority programming that the groups were required to fulfill during their next licence term:

  - In its *Transfer of effective control of CTV Inc. to BCE Inc.*, Decision CRTC 2000-747, 7 December 2000, the Commission required the licensee to broadcast a minimum of 175 hours of original Canadian priority programming over the licence term (in addition to the base level of eight hours per week), and a minimum total incremental expenditure of $140 million over the licence term on the benefits-related priority programming.

  - In its Transfer *of effective control of TVA to Québecor Média inc.*, Decision CRTC 2001-384, 5 July 2001, the Commission required the licensee to expend a minimum of $39.8 million of the benefits on priority programming, incremental to a base level of priority programming expenditures as outlined in the decision.

- The priority programming benefits for both TVA and CTV commenced in the 2001/2002 broadcast year.

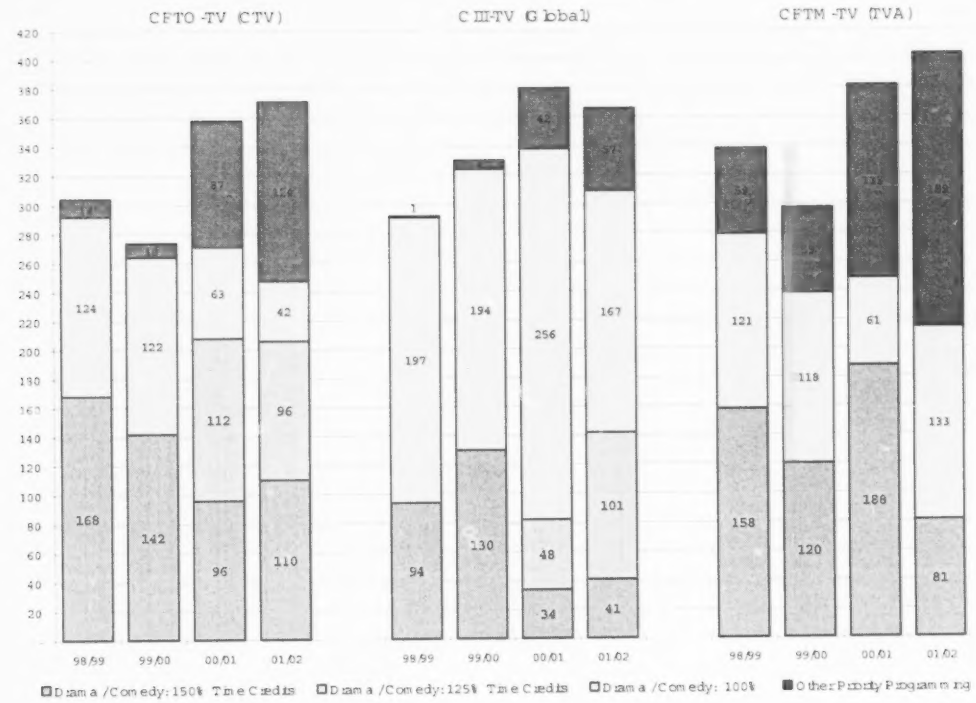
## 1. Scheduling of Priority Programs

- The following chart sets out the total number of Canadian priority programming hours scheduled during the 1998/99 to 2001/02 broadcast years for the following stations:

  - CFTO-TV, Toronto (CTV)
  - CIII-TV, Toronto (Global)
  - CFTM-TV, Montréal (TVA)

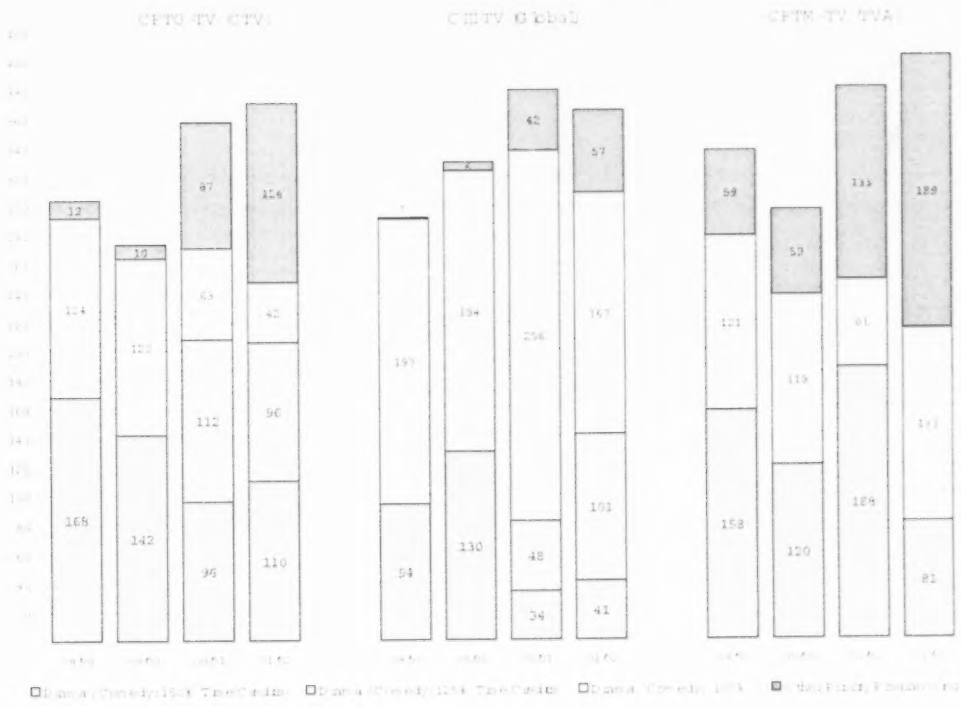
- Results for the 2000-01 and 2001-02 broadcast years are based on the revised definitions of priority programming that came into effect on September 1, 2000. The number of hours that qualify for the old and new 150% and the new 125% drama / comedy time-credits are also highlighted in this graph.

## Chart 3.17: Number of Hours of Drama/Comedy and Other Canadian Priority Programming Scheduled Annually – 7 p.m. to 11 p.m.




Note: Results for the 2000-01 and 2001-02 broadcast years are based on the revised definitions of priority programming that came into effect on September 1, 2000.
Source: CRTC Logs (Aug. 2003)

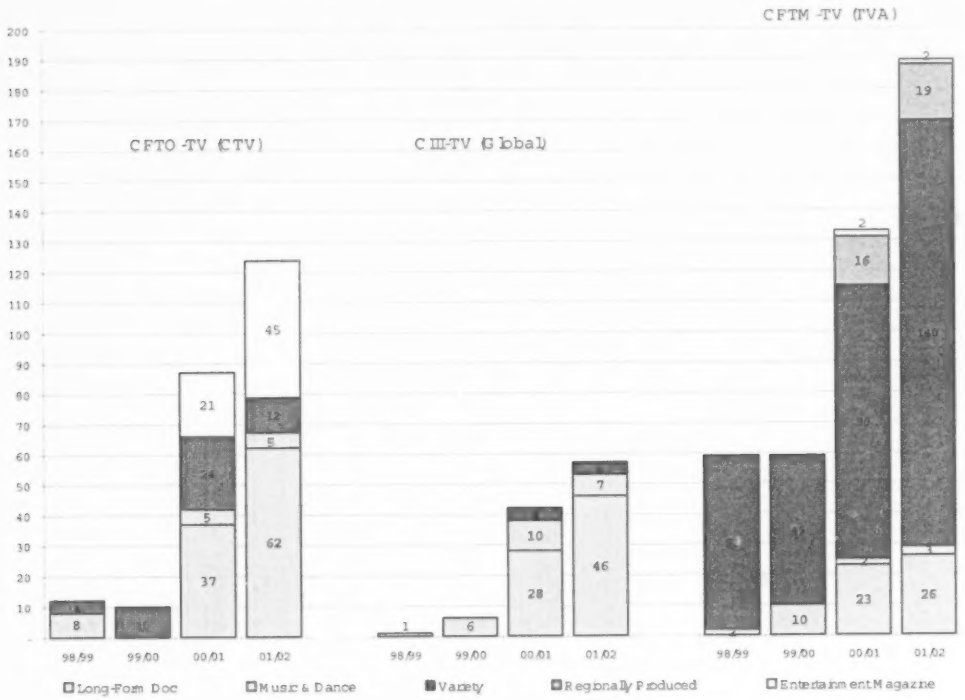
## Chart 3.17 Number of Hours of Drama/Comedy and Other Canadian Priority Programming Scheduled Annually – 7 p.m. to 11 p.m.




Note: Results for the 2000-01 and 2001-02 broadcast years are based on the revised definitions of priority programming that came into effect on September 1, 2000.
Source: CRTC Logs (Aug. 2003)

- The following chart sets out the total number of Canadian priority programming hours, other than drama/comedy, scheduled in 1998/99 to 2001/02 broadcast years for CFTO-TV, Toronto (CTV), CIII-TV, Toronto (Global) CFTM-TV, Montreal (TVA).

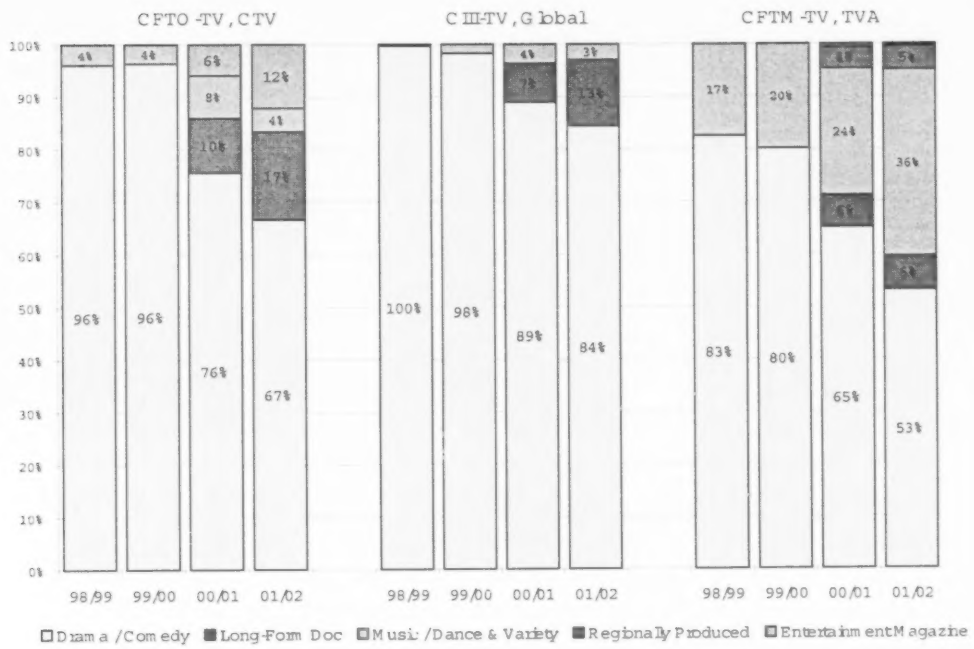
Chart 3.18: **Number of Hours Non-Drama/Comedy Canadian Priority Programming Scheduled Annually – 7 p.m. to 11 p.m.**




Note: Results for the 2000-01 and 2001-02 broadcast years are based on the revised definitions of priority programming that came into effect on September 1, 2000.
Source: CRTC Logs (Aug. 2003)

- The following chart compares the percentage of hours broadcast for each Canadian priority programming category during the peak viewing period of 7 p.m. to 11 p.m. from 1998/99 to 2001/02 for CFTO-TV, Toronto (CTV), CIII-TV, Toronto (Global) and CFTM-TV, Montréal (TVA).

Chart 3.19: **Percentage of Hours Scheduled for Each Canadian Priority Programming Category from 1998/99 to 2001/02**




Note: Results for the 2000-01 and 2001-02 broadcast years are based on the revised definitions of priority programming that came into effect on September 1, 2000.
Source: CRTC Logs (Aug. 2003)

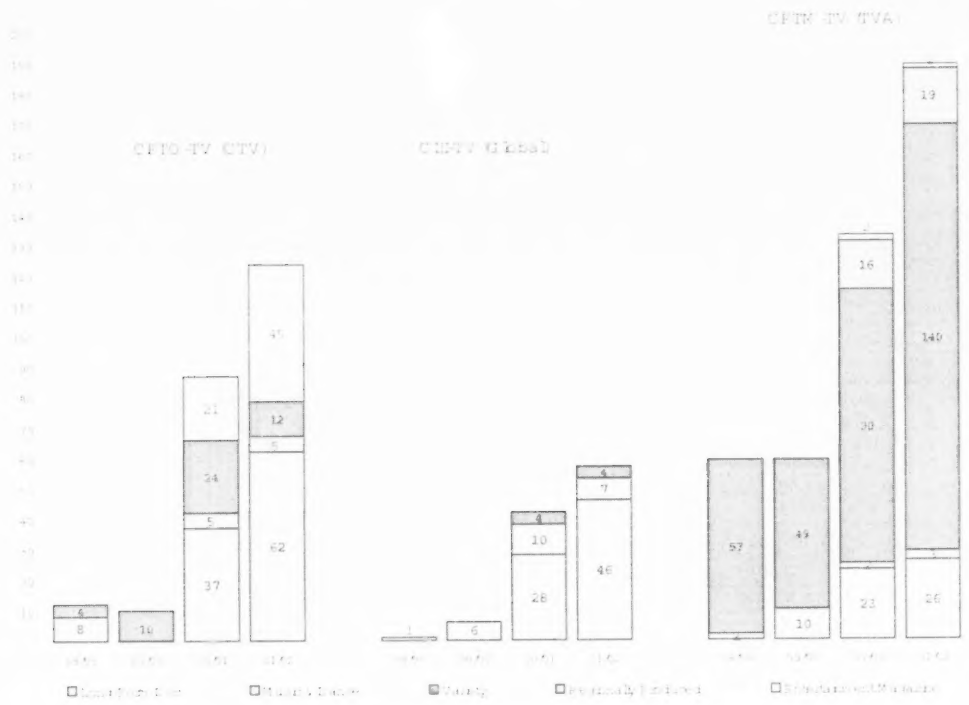
## 2. Drama

- In *Support for Canadian television drama – Call for comments*, Broadcasting Public Notice CRTC 2003-54, 26 September 2003, the Commission is soliciting comments from producers, broadcasters and the public on actions it might take to support the production and broadcast of more high quality, original, English-language Canadian drama and to attract larger audiences to such programming. The Commission is also seeking comments on actions it might take to ensure that high quality, original French-language Canadian drama remains a key component of prime time viewing.

- Charts 3.20 to 3.23 compare the viewing and scheduling of both English and French-language Canadian drama/comedy across the Canadian broadcasting system between Fall 1993 and Fall 2002.

- The following chart sets out the total number of Canadian priority programming hours, other than drama/comedy, scheduled in 1998/99 to 2001/02 broadcast years for CFTO-TV, Toronto (CTV), CIII-TV, Toronto (Global) CFTM-TV, Montreal (TVA).

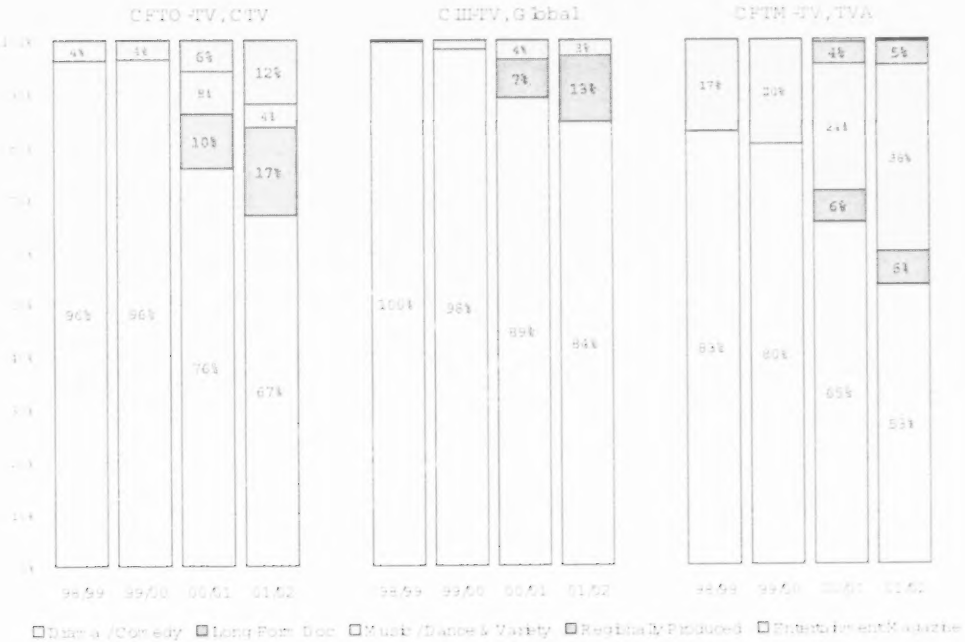
Chart 3.18: **Number of Hours Non-Drama/Comedy Canadian Priority Programming Scheduled Annually – 7 p.m. to 11 p.m.**




Note: Results for the 2000-01 and 2001-02 broadcast years are based on the revised definitions of priority programming that came into effect on September 1, 2000.
Source: CRTC logs (Aug. 2003)

- The following chart compares the percentage of hours broadcast for each Canadian priority programming category during the peak viewing period of 7 p.m. to 11 p.m. from 1998/99 to 2001/02 for CFTO-TV, Toronto (CTV), CIII-TV, Toronto (Global) and CFTM-TV, Montréal (TVA).

Chart 3.19: **Percentage of Hours Scheduled for Each Canadian Priority Programming Category from 1998/99 to 2001/02**




Note: Results for the 2000-01 and 2001-02 broadcast years are based on the revised definitions of priority programming that came into effect on September 1, 2000.
Source: CRTC logs (Aug. 2003)

## 2. Drama

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- Charts 3.20 to 3.23 compare the viewing and scheduling of both English and French-language Canadian drama/comedy across the Canadian broadcasting system between Fall 1993 and Fall 2002.

Chart 3.20: Viewing to English-Language Canadian Drama/Comedy Programming - BBM Fall 1993 & Fall 2002
Average Hours Viewed per Week (000,000)
7 p.m. to 11p.m.

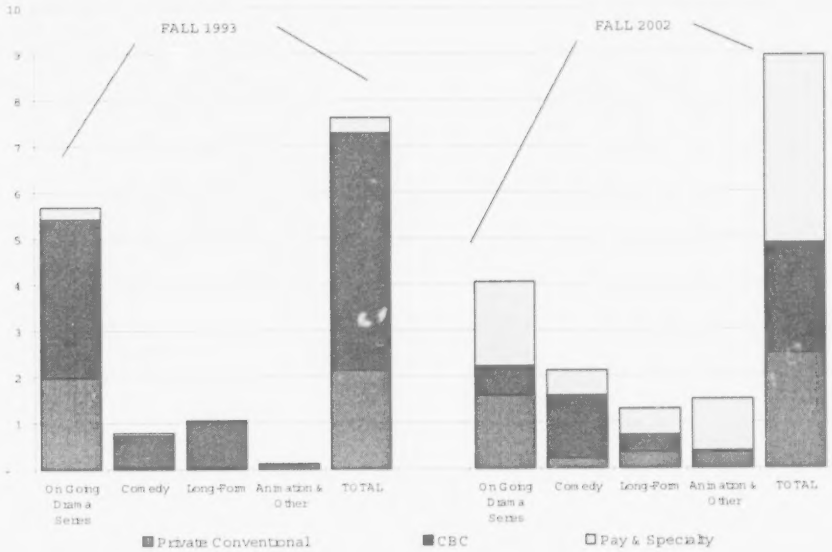



Chart 3.21: Scheduling of English-Language Canadian Drama/Comedy Programming - BBM Fall 1993 & Fall 2002
Average Hours Scheduled per Week
7 p.m. to 11p.m.

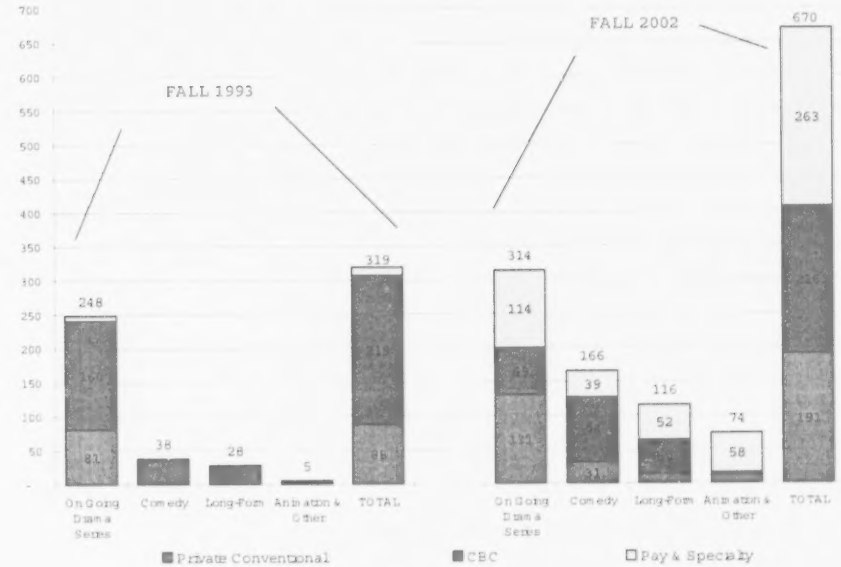


Chart 3.22: Viewing to French-Language Canadian Drama/Comedy Programming - BBM Fall 1993 & Fall 2002
Average Hours Viewed per Week (000,000)
7 p.m. to 11p.m.

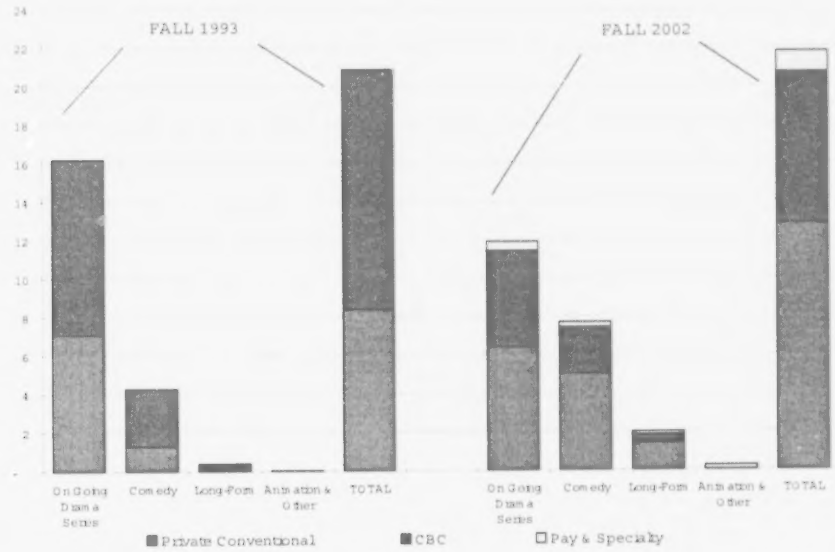



Chart 3.23: Scheduling of French-Language Canadian Drama/Comedy Programming - BBM Fall 1993 & Fall 2002
Average Hours Scheduled per Week
7 p.m. to 11p.m.

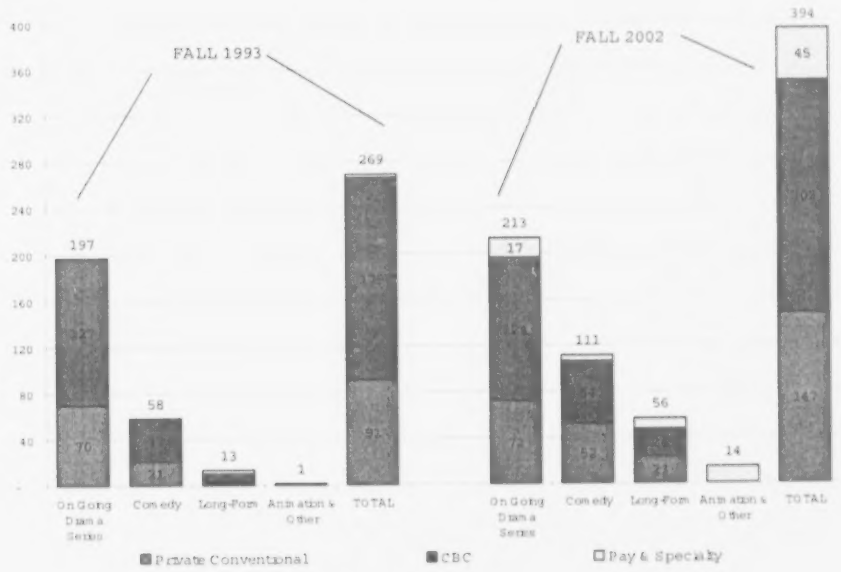


Chart 3.20: Viewing to English-Language Canadian Drama/Comedy
Programming - BBM Fall 1993 & Fall 2002
Average Hours Viewed per Week (000,000)
7 p.m. to 11p.m.

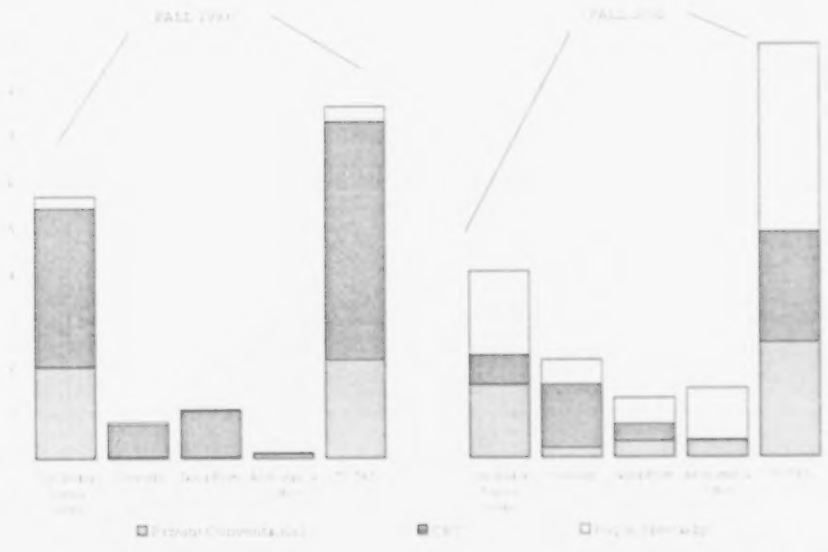


Chart 3.21: Scheduling of English-Language Canadian Drama/Comedy
Programming - BBM Fall 1993 & Fall 2002
Average Hours Scheduled per Week
7 p.m. to 11p.m.

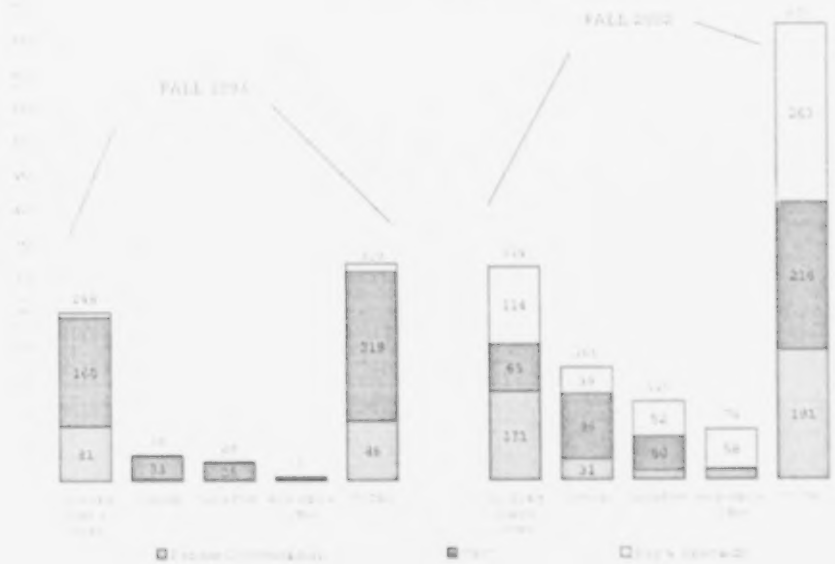


Chart 3.22: Viewing to French-Language Canadian Drama/Comedy Programming - BBM Fall 1993 & Fall 2002
Average Hours Viewed per Week (000,000)
7 p.m. to 11p.m.

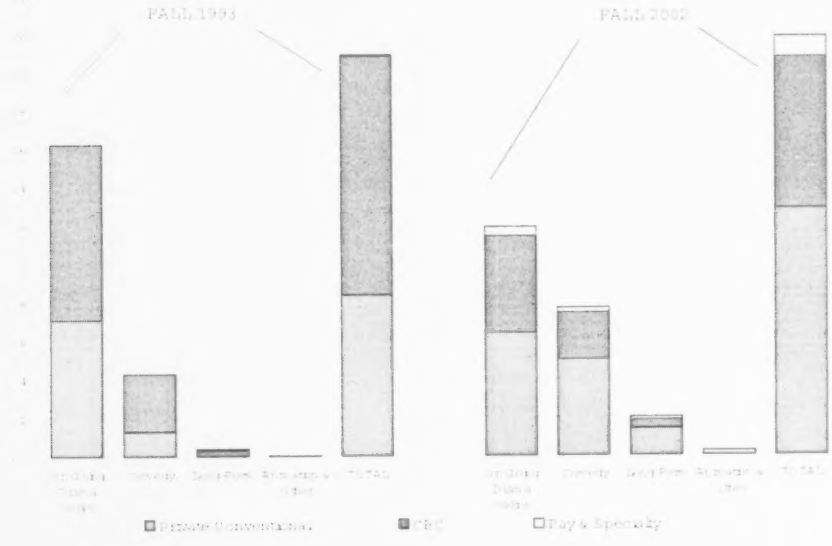
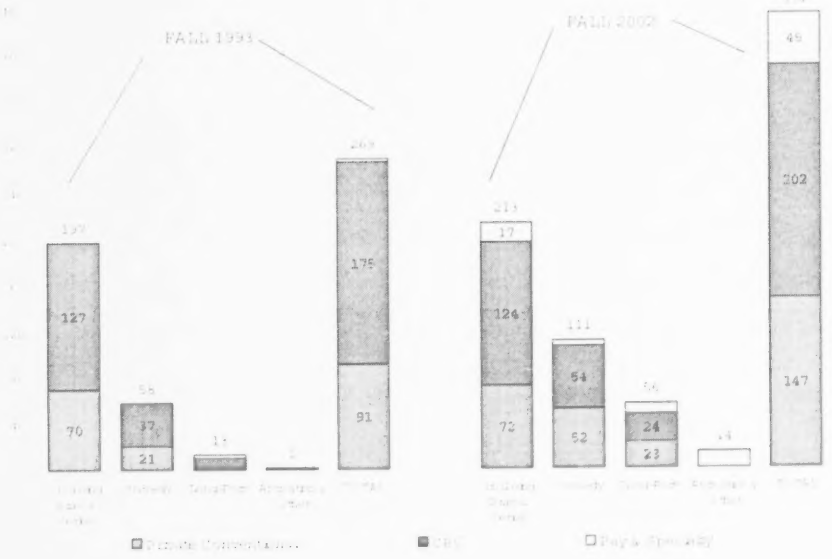


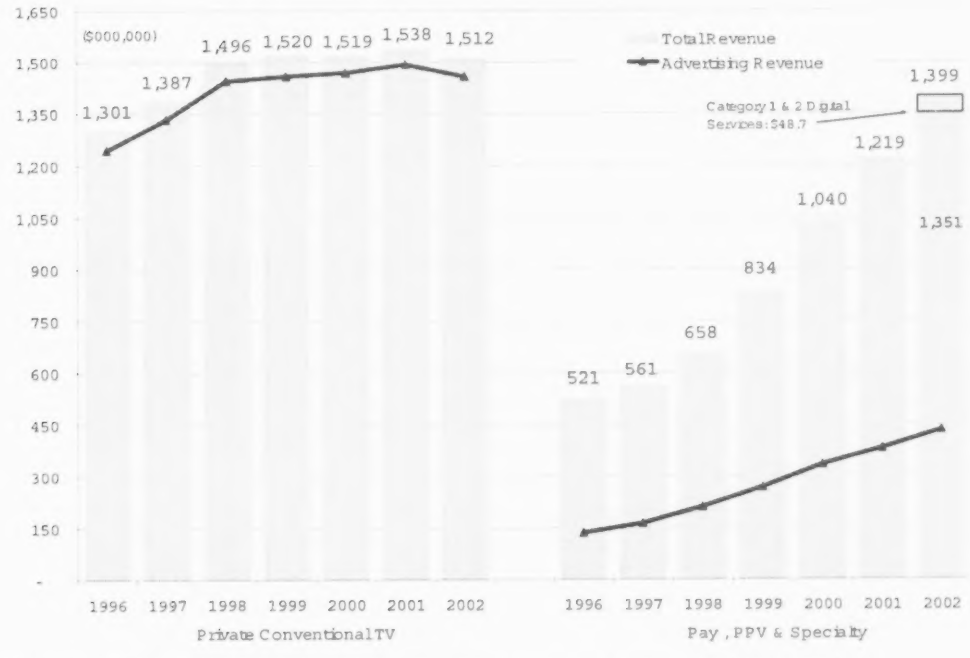

Chart 3.23: Scheduling of French-Language Canadian Drama/Comedy Programming - BBM Fall 1993 & Fall 2002
Average Hours Scheduled per Week
7 p.m. to 11p.m.



## C. Financial Performance

### 1. Revenues

Chart 3.24: English-Language Private Conventional Television and Pay, PPV & Specialty Services



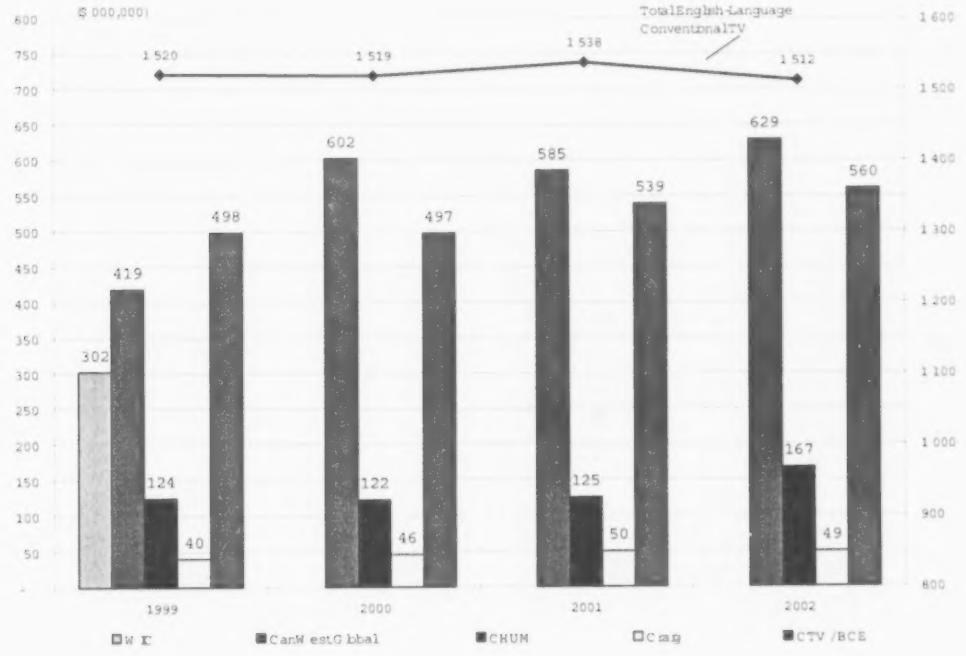

Notes: Includes ethnic & bilingual services; 1999 to 2001 Private conventional revenues have been restated.
Source: CRTC Financial Database

- The 8% revenue increase in 1998 for private conventional television was caused by the entrance of 5 new stations (CKMI-TV, Québec; CJNT-TV, Montréal; CKAL-TV, Calgary; CKEM-TV, Edmonton; CIVT-TV, Vancouver). Since then, revenue growth for the conventional players has been flat.

- Pay, PPV and specialty revenues have been increasing steadily. The number of English services has more than doubled since 1996 increasing from 20 to 45 in 2001. In 2002, an additional 47 English and 3rd language digital services reported 1st year results.

- Specialty television services have a dual revenue stream from both advertising and subscription. Pay and PPV services, on the other hand, rely entirely on subscription revenues.

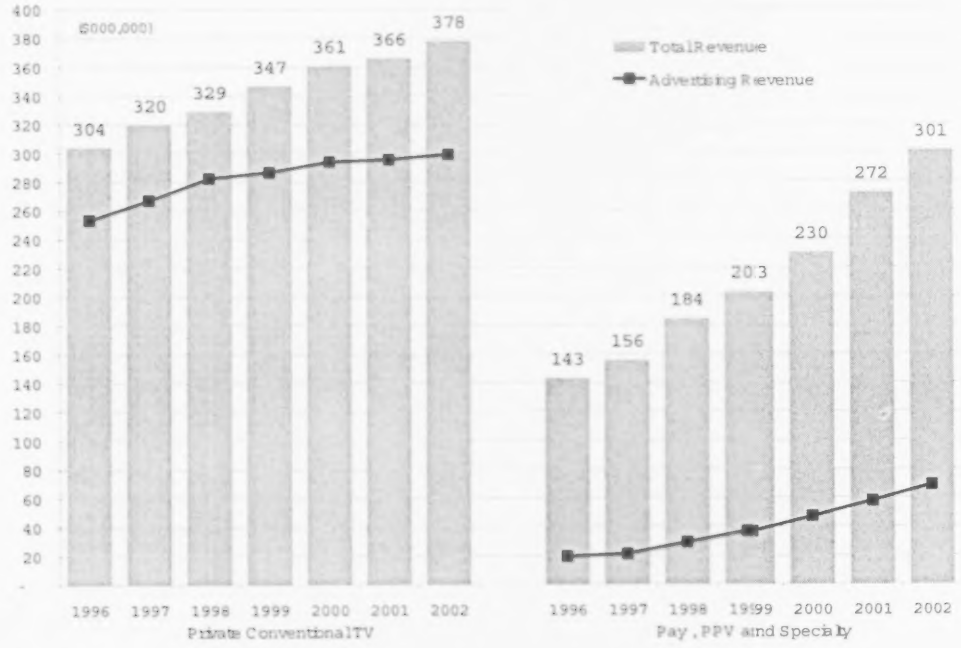
## Chart 3.25: Revenues of English-Language Private Conventional Television Services by Group




Source: CRTC Financial Database

- Based on conventional stations owned or controlled by the ownership group on August 31st of each year.
- In its decision Acquisition by CanWest Global Communications Corp., through its wholly-owned subsidiary CW Shareholdings Inc., of the ownership interests held previously by WIC Western International Communications Ltd. in various conventional television stations and in certain other broadcasting undertakings, Decision CRTC 2000-221, 6 July 2000, the Commission approved the acquisition by CanWest Global of certain television stations previously held directly or indirectly by WIC. In doing so, the Commission required CanWest Global to divest its interests in CFCF-TV and CKVU-TV. The divestitures took place in the fall of 2001. The stations were held in trust during this period. Consequently, the revenues for 2000 and 2001 shown for Global here exclude CFCF-TV and CKVU-TV.
- CTV revenues for 1999, 2000 and 2001 include the CTV network plus CTV stations, less the network payments to CTV affiliates. BCE acquired controlling interest in CTV on December 7, 2000.

Chart 3.26: **Private French-Language Conventional Television, Pay, PPV and Specialty Services Revenues**



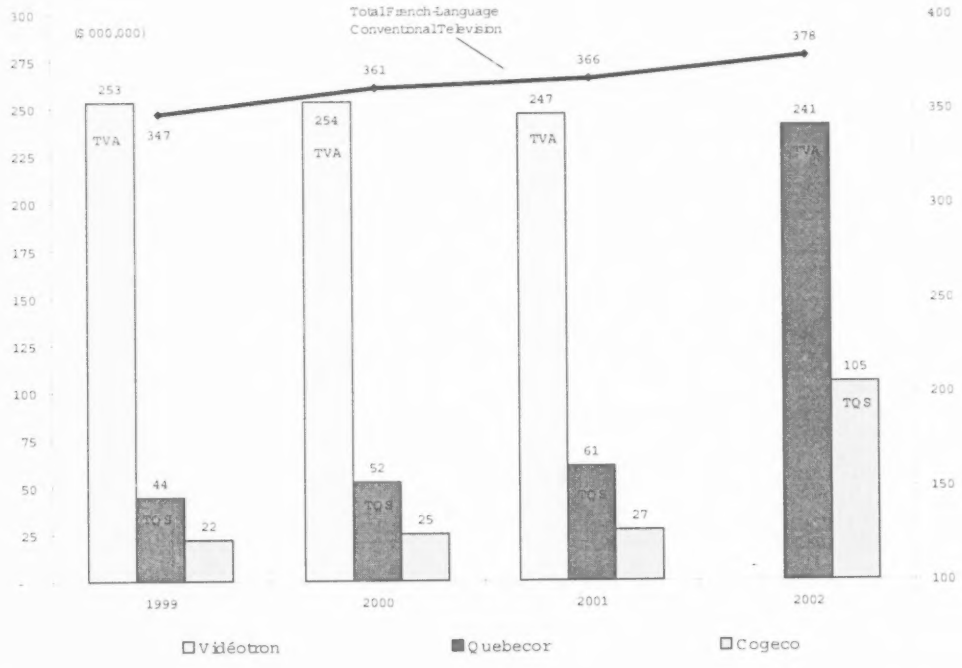

Excludes bilingual services
Source: CRTC Financial Database

- Revenue growth for French-language private conventional stations has averaged 4% per year since 1996. The number of stations has also remained unchanged.

- French-language pay, PPV and specialty services have achieved strong revenue growth. Since 1996, the number of services has increased by 89% from 9 to 17 services in 2002.

- French-language specialty services rely heavily on subscription revenues. In 2002, only 23% of their revenues were derived from advertising.

## Chart 3.27: Revenues of French-Language Private Conventional Television Services by Group




Source: CRTC Financial Database

Notes:

- Based on conventional stations owned or controlled by the ownership group on August 31st of each year.

Vidéotron:

- Held majority voting interest in Groupe TVA inc. In 2002, Quebecor acquired effective control of Vidéotron.

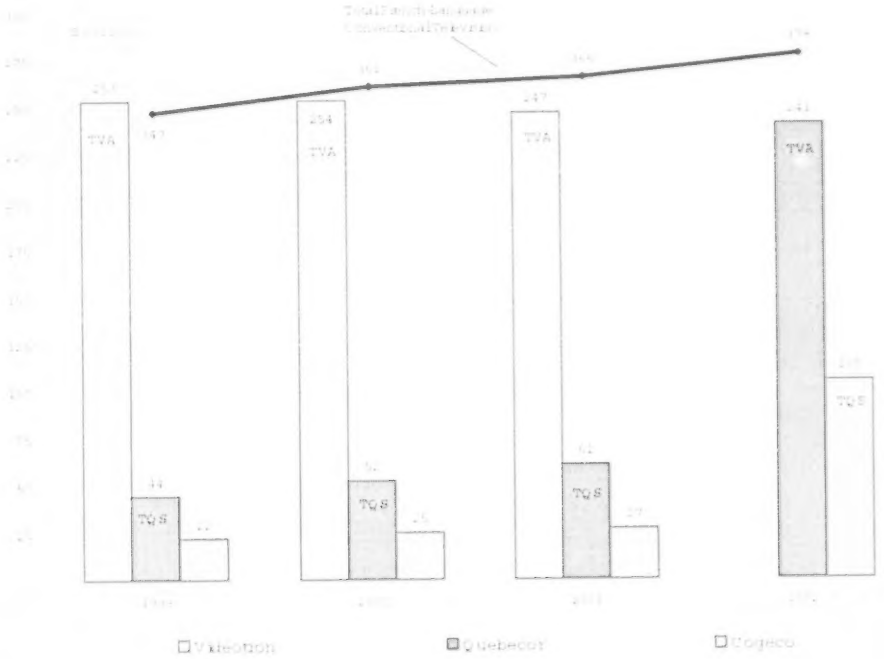
Quebecor:

- Held majority voting interest in TQS Inc. (CFJP-TV & CFAP-TV) from 1999 to 2001.
- In its decision Transfer of effective control of TVA to Quebecor Media inc. Decision 2001-384, dated July 5, 2001, Quebecor acquired control of Groupe TVA inc. Approval was subject to the condition precedent that Quebecor divest itself of TQS inc. On December 7th, 2001 (2001-746) the Commission approved the purchase of TQS inc by Cogeco Inc. (60%) and Bell Globemedia Inc. (40%).

Cogeco:

- In its decision Acquisition of the assets of CFRS-TV and of CKRS-TV and its transmitter CKRS-TV-1, Decision 98-503, November 24, 1998, Cogeco acquired two television stations and a transmitter.
- In December 2001 it acquired majority controlling interest of the TQS Inc. television stations.

## Chart 3.27: Revenues of French-Language Private Conventional Television Services by Group




Source: CRTC Financial Database

Notes:

- Based on conventional stations owned or controlled by the ownership group on August 31st of each year.

Videotron:

- Held majority voting interest in Groupe TVA inc. In 2002, Quebecor acquired effective control of Videotron.

Quebecor:

- Held majority voting interest in TQS Inc. (CFTM-TV & CFAP-TV) from 1999 to 2001.
- In its decision Transfer of effective control of TVA to Quebecor Media inc., Decision 2001-384, dated July 5, 2001, Quebecor acquired control of Groupe TVA inc. Approval was subject to the condition precedent that Quebecor divest itself of TQS inc. On December 7th, 2001 (2001-746) the Commission approved the purchase of TQS inc. by Cogeco Inc. (60%) and Bell Globemedia Inc. (40%).

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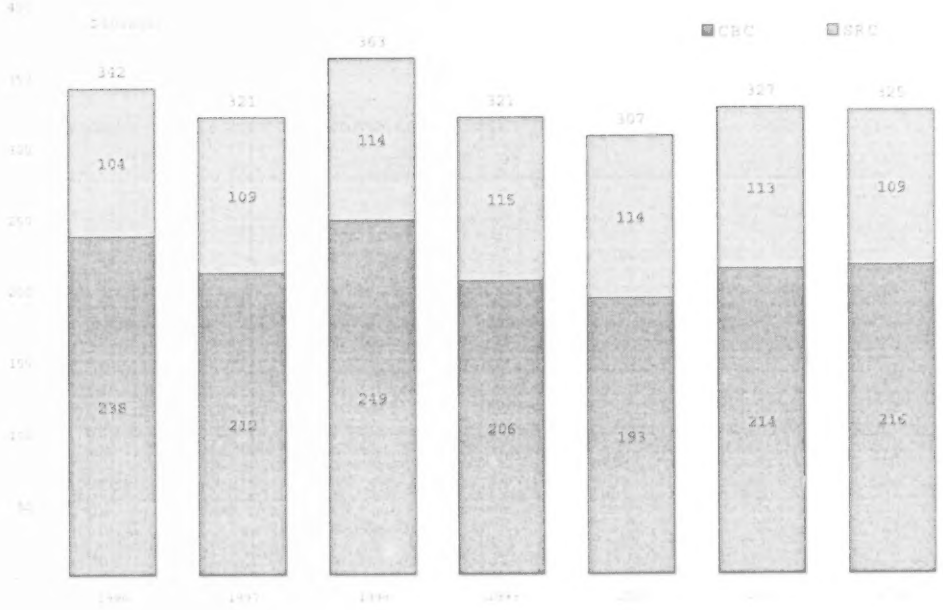
- In December 2001, it acquired majority controlling interest of the TQS Inc. television stations.

## 2. CBC Conventional Television Advertising Revenues

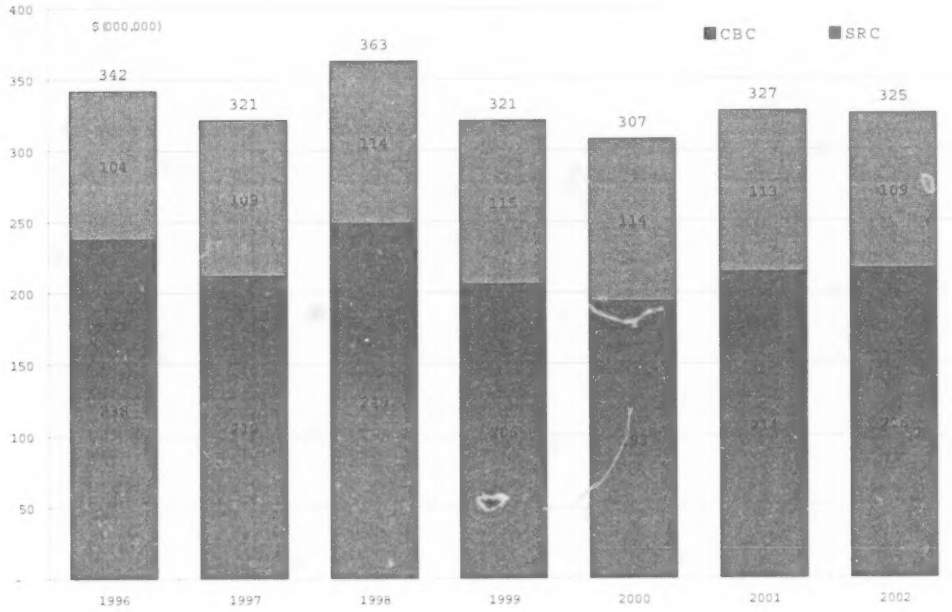
### Chart 3.28: Advertising Revenues – CBC Conventional Television




Source: Financial Annual Return Filed with the CRTC

## 2. CBC Conventional Television Advertising Revenues

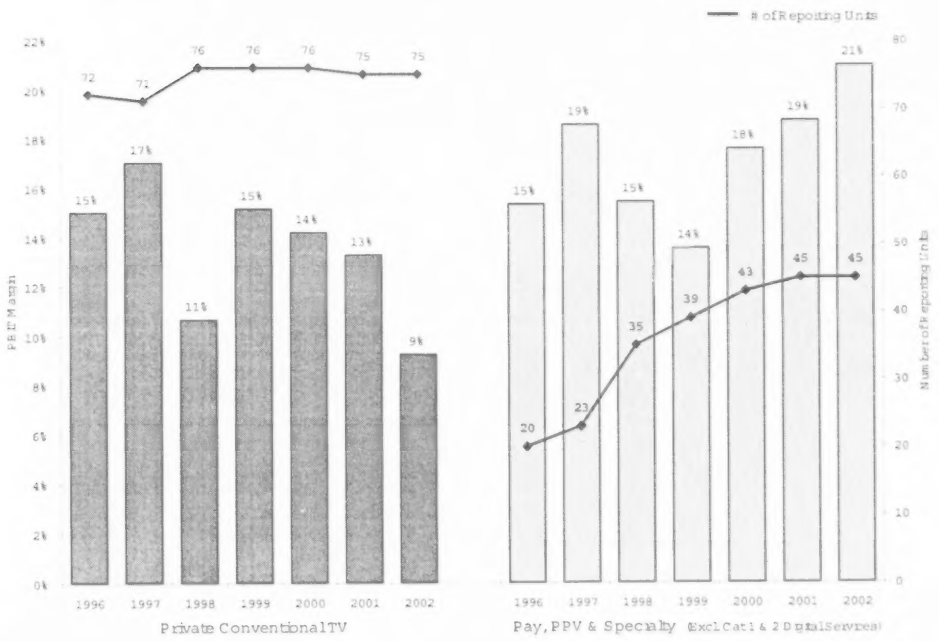
### Chart 3.28: Advertising Revenues – CBC Conventional Television




Source: Financial Annual Return filed with the CRTC

## 3. Aggregate Profits Before Interest and Taxes (PBIT) Margins (%)

### Chart 3.29: Aggregate PBIT Margins of English-Language Private Conventional Television & Pay, PPV and Analog Specialty Services



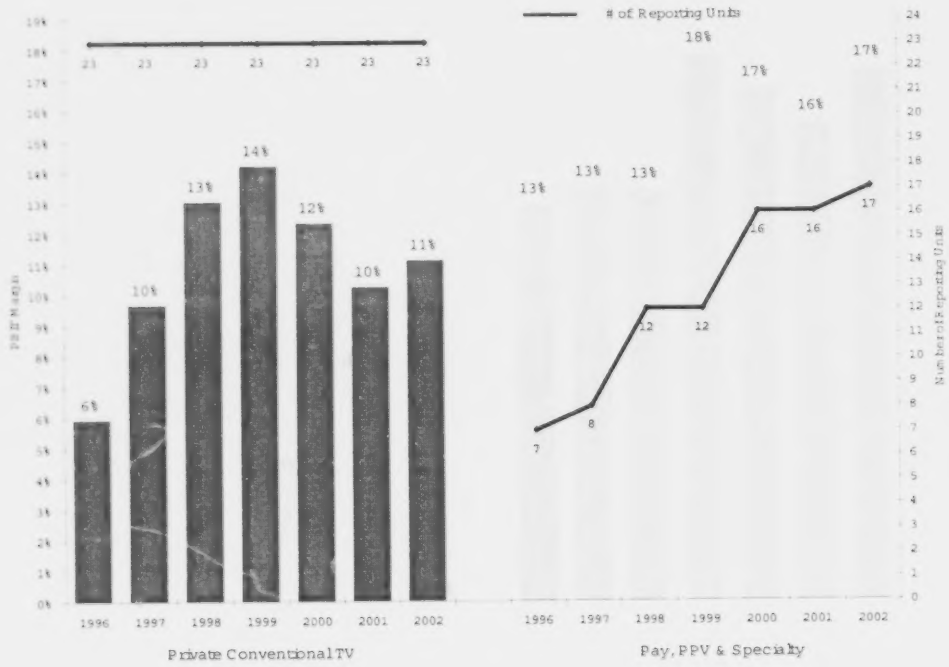

Notes: Includes ethnic & bilingual services; 1999 to 2001 Private conventional results have been restated.
Source: CRTC Financial Database

- The drop in profitability in 1998 for conventional television stations was caused by five new services reporting first year losses. A large one-time write-off by one of the large broadcasters also contributed to the downturn in 1998.

- The number of Pay, PPV and Specialty services has been climbing steadily over the past several years. The introduction of 12 new services in 1998 caused the aggregate PBIT margin decrease in 1998 and 1999.

- The 2002 Pay, PPV & Specialty results reflect $284 million in profits from the analog services with a PBIT of 21%. The digital services reported losses of $140 million in 2002 which resulted in a combined PBIT margin of 10% for English and third-language analog and digital Pay, PPV and Specialty services.

Chart 3.30: **Aggregate PBIT Margins of Private French-Language Conventional Television & Pay, PPV and Specialty Services**




Source: CRTC Financial Database

- In 2002, the number of French-language specialty services increased from 16 to 17 with the addition of ARTV.

## D. Eligible Expenditures on Canadian Programming (CPE)[7]

### 1. English-Language

Table 3.5: Private Commercial Conventional Television

| Genre ($000) | 1998 | 1999 | 2000 | 2001 | 2002 | Annual Growth % 98 | 99 | 00 | 01 | 02 |
|---|---|---|---|---|---|---|---|---|---|---|
| News (Cat. 1) | 229,512 | 237,223 | 229,931 | 235,149 | 247,719 | 5% | 3% | -3% | 2% | 5% |
| Other Info. (Cat. 2 to 5) | 25,977 | 29,846 | 28,413 | 34,496 | 40,369 | 7% | 15% | -5% | 21% | 17% |
| Sports (Cat. 6) | 31,426 | 29,901 | 26,727 | 24,942 | 19,088 | -13% | -5% | -11% | -7% | -23% |
| Drama & Comedy ( Cat. 7) | 73,008 | 57,818 | 60,443 | 62,594 | 58,589 | 62% | -21% | 5% | 4% | -6% |
| Music/Variety (Cat. 8 & 9) | 7,749 | 5,515 | 5,368 | 4,163 | 4,583 | 70% | -29% | -3% | -22% | 10% |
| Game Show ( Cat. 10) | 179 | 220 | 41 | 1,590 | 106 | -18% | 23% | -81% | 373% | -93% |
| Human Interest ( Cat. 11) | 36,481 | 28,586 | 25,017 | 20,321 | 18,658 | 2% | -22% | -12% | -19% | -8% |
| Other (Cat. 12 to 15) | - | - | - | 965 | 2,033 | | | | | 111% |
| Total (Cat. 1 to 15) | 404,333 | 389,109 | 375,940 | 384,221 | 391,143 | 11% | -4% | -3% | 2% | 2% |

Includes ethnic stations
Source: CRTC Financial Database

Table 3.6: CBC Television

| Genre ($000) | 1998 | 1999 | 2000 | 2001 | 2002 | Annual Growth % 98 | 99 | 00 | 01 | 02 |
|---|---|---|---|---|---|---|---|---|---|---|
| News (Cat. 1) | 53,790 | 97,606 | 100,047 | 59,200 | 130,463 | 75% | 81% | 3% | -41% | 120% |
| Other Info. (Cat. 2 to 5) | 52,605 | 48,079 | 40,086 | 37,143 | 99,929 | 86% | -9% | -17% | -7% | 169% |
| Sports (Cat. 6) | 119,302 | 128,455 | 95,031 | 141,046 | 169,278 | 53% | 8% | -26% | 48% | 20% |
| Drama & Comedy ( Cat. 7) | 35,325 | 62,016 | 62,407 | 46,212 | 60,702 | -2% | 76% | 1% | -26% | 31% |
| Music/Variety (Cat. 8 & 9) | 19,166 | 12,218 | 8,156 | 5,982 | 16,789 | 39% | -36% | -33% | -27% | 181% |
| Game Show ( Cat. 10) | - | - | - | - | 6,049 | | | | | |
| Human Interest ( Cat. 11) | 31,167 | 4,667 | 18,568 | 9,962 | 19,061 | 83% | -85% | 298% | -46% | 91% |
| Other (Cat. 12 to 15) | - | - | - | - | - | | | | | |
| Total (Cat. 1 to 15) | 311,355 | 353,041 | 324,295 | 299,545 | 502,271 | 53% | 13% | -8% | -8% | 68% |

Source: CBC Annual Reports to the CRTC

Table 3.7: Pay, PPV and Specialty Services

| Genre ($000) | 1998 | 1999 | 2000 | 2001 | 2002 | Annual Growth % 98 | 99 | 00 | 01 | 02 |
|---|---|---|---|---|---|---|---|---|---|---|
| Specialty Services: | | | | | | | | | | |
| Analog Services | 207,386 | 290,539 | 335,784 | 390,263 | 441,682 | 16% | 40% | 16% | 16% | 13% |
| Digital Services | | | | | 34,297 | | | | | |
| Pay & PPV Services | 13,227 | 15,841 | 28,763 | 24,599 | 34,357 | -23% | 20% | 82% | -14% | 40% |
| Total | 220,613 | 306,380 | 364,547 | 414,862 | 510,336 | 12% | 39% | 19% | 14% | 23% |
| Number of Services Reporting: | | | | | | | | | | |
| Analog Specialty Services | 22 | 25 | 28 | 30 | 30 | 69% | 14% | 12% | 7% | 0% |
| Digital Specialty Services | | | | | 45 | | | | | |
| Pay & PPV Services | 9 | 9 | 10 | 10 | 11 | 29% | 0% | 11% | 0% | 10% |
| Total | 31 | 34 | 38 | 40 | 86 | 55% | 10% | 12% | 5% | 115% |

Includes bilingual services
Source: CRTC Financial Database

[7] Excludes Canadian Television Funding (CTF) reported by stations and services. 1998 to 2001 expenditures have been restated accordingly.

## 2. French-Language

### Table 3.8: Private Commercial Conventional Television and SRC

| Genre ($000) | 1998 | 1999 | 2000 | 2001 | 2002 | Annual Growth % 98 | 99 | 00 | 01 | 02 |
|---|---|---|---|---|---|---|---|---|---|---|
| News (Cat. 1) | 70,876 | 96,726 | 111,698 | 88,947 | 91,087 | 4% | 36% | 15% | -20% | 2% |
| Other Info. (Cat. 2 to 5) | 48,132 | 49,469 | 53,669 | 40,980 | 44,613 | 8% | 3% | 8% | -24% | 9% |
| Sports (Cat. 6) | 24,118 | 22,430 | 20,674 | 24,884 | 23,642 | -11% | -7% | -8% | 20% | -5% |
| Drama & Comedy ( Cat. 7) | 59,941 | 57,974 | 59,800 | 59,502 | 64,591 | 12% | -3% | 3% | 0% | 9% |
| Music/Variety (Cat. 8 & 9) | 32,573 | 38,104 | 37,792 | 24,155 | 32,668 | 0% | 17% | -1% | -36% | 35% |
| Game Show ( Cat. 10) | 2,817 | 3,112 | 2,241 | 5,350 | 6,686 | -21% | 11% | -28% | 139% | 25% |
| Human Interest ( Cat. 11) | 29,195 | 36,173 | 44,012 | 52,584 | 42,179 | 17% | 24% | 22% | 19% | -20% |
| Other (Cat. 12 to 15) | - | - | - | - | 233 | | | | | |
| Total (Cat. 1 to 15) | 267,653 | 303,989 | 329,887 | 296,403 | 305,701 | 5% | 14% | 9% | -10% | 3% |

Source: CRTC Database & SRC Annual Reports to the CRTC

### Table 3.9: Pay, PPV and Specialty Services

| Genre ($000) | 1998 | 1999 | 2000 | 2001 | 2002 | Annual Growth % 98 | 99 | 00 | 01 | 02 |
|---|---|---|---|---|---|---|---|---|---|---|
| Specialty Services: | | | | | | | | | | |
| Analog Services | 69,611 | 73,785 | 83,562 | 99,443 | 111,070 | 27% | 6% | 13% | 19% | 12% |
| Digital Services | | | | | n/a | | | | | |
| Pay & PPV Services | 5,365 | 5,405 | 6,798 | 6,750 | 8,848 | -11% | 1% | 26% | -1% | 31% |
| Total | 74,977 | 79,190 | 90,360 | 106,193 | 119,918 | 23% | 6% | 14% | 18% | 13% |
| Number of Services Reporting: | | | | | | | | | | |
| Analog Specialty Services | 9 | 9 | 13 | 13 | 14 | 50% | 0% | 44% | 0% | 8% |
| Pay & PPV Services | 3 | 3 | 3 | 3 | 3 | -11% | 1% | 26% | -1% | 31% |
| Total | 12 | 12 | 16 | 16 | 17 | 50% | 0% | 33% | 0% | 6% |

Source: CRTC Financial Database

## 3. Ethnic Specialty Services

### Table 3.10: Pay & Specialty Services

| Genre ($000) | 1998 | 1999 | 2000 | 2001 | 2002 | Annual Growth % 98 | 99 | 00 | 01 | 02 |
|---|---|---|---|---|---|---|---|---|---|---|
| Specialty Services: | | | | | | | | | | |
| Analog Services | 7,350 | 7,842 | 8,336 | 9,052 | 9,419 | 29% | 7% | 6% | 9% | 4% |
| Digital Services | | | | | 262 | | | | | |
| Total | 7,350 | 7,842 | 8,336 | 9,052 | 9,681 | 29% | 7% | 6% | 9% | 7% |
| Number of Services Reporting: | | | | | | | | | | |
| Analog Specialty Services | 4 | 4 | 4 | 4 | 4 | 33% | 0% | 0% | 0% | 0% |
| Digital Specialty Services | | | | | 1 | | | | | |
| Total | 4 | 4 | 4 | 4 | 5 | 33% | 0% | 0% | 0% | 25% |

Source: CRTC Financial Database

## E. Canada's Independent Production Companies

Table 3.11 below lists Canada's top independent production companies ranked by their total production and development expenditures in 2002. Table 3.12 provides the total production and development expenditures of all Canadian Independent production companies from 1997 to 2002.

### Table 3.11: Top Canadian Independent Production Companies in 2002

| | | ($ 000,000) |
|---|---|---|
| 1. | Alliance Atlantis | $ 310 |
| 2. | Fireworks Entertainment | 130 |
| 3. | Corus Entertainment | 109 |
| 4. | Lions Gate Films | 107 |
| 5. | Zone3 | 56 |
| 6. | CineGroupe | 53 |
| 7. | Minds Eye Entertainment | 51 |
| 8. | Pebblehut Too | 40 |
| 9. | DECODE Entertainment | 36 |
| 10. | Temple Street Productions | 35 |
| 11. | JB Media | 31 |
| 12. | Peace Arch Ent. Group | 30 |
| 13. | Knightscove Entertainment | 29 |
| 14. | Shaftesbury Films | 25 |

Source: Playback © 2003 Brunico Communications Inc. (Website: www.playbackmag.com)
Expenses are reported on a calendar year basis

### Table 3.12: All Canadian Independent Production Companies

Production and Development Expenditures ($ in Millions)

| *Expenses are reported on a calendar year basis* | 1997 | 1998 | 1999 | 2000 | 2001 | 2002 |
|---|---|---|---|---|---|---|
| Total Expenditures for Companies: | | | | | | |
| • with expenditures totalling $25 million or greater | 976 | 1,241 | 1,231 | 1,274 | 1,121 | 1,043 |
| % of total | 66% | 73% | 71% | 70% | 64% | 64% |
| • with expenditures totalling less than $25 million | 499 | 459 | 496 | 557 | 644 | 581 |
| % of total | 34% | 27% | 29% | 30% | 36% | 36% |
| Total | 1,475 | 1,700 | 1,727 | 1,831 | 1,765 | 1,624 |
| % Annual Growth | | 15% | 2% | 6% | -4% | -8% |
| | 1997 | 1998 | 1999 | 2000 | 2001 | 2002 |
| Number of Production Companies: | | | | | | |
| • with expenditures totalling $25 million or greater | 13 | 19 | 17 | 15 | 13 | 14 |
| % of total | 12% | 16% | 13% | 13% | 8% | 8% |
| • with expenditures totalling less than $25 million | 97 | 99 | 115 | 101 | 142 | 157 |
| % of total | 88% | 84% | 87% | 87% | 92% | 92% |
| Total | 110 | 118 | 132 | 116 | 155 | 171 |
| % Annual Growth | 7% | 12% | -12% | 34% | 10% | |

Source: Playback © 1997, 1998, 1999, 2000, 2001, 2002 & 2003 Brunico Communications Inc. (Website: www.playbackmag.com); Independent Production 2002, May 12, 2003 Issue; Independent Production Companies 2001, May 13, 2002 Issue; Independent Production Companies 2000, May 14, 2001 Issue; Who spent what in '99, May 15, 2000 Issue; Independent Production- Production Companies by Volume, May 17, 1999 Issue; Independent Production- Production Companies by Volume, April 20, 1998 Issue

## F. Specialty, Pay, PPV and VOD Services

Specialty Services (*Specialty Services Regulations, 1990*)

- There are currently 49 Canadian analog specialty services: 28 English-language, 14 French-language, 2 bilingual (English & French) and 5 third-language[8]. In September 2001, 16 English-language category 1 digital services were launched. As of November 3, 2003, 43 category 2 digital services had been launched – 33 English-language and 10 third language services.

Pay Services (*Pay Television Regulations, 1990*)

- Five English-language and one French-language pay television services were licensed prior to 1995.
- As of November 3, 2003, two third-language digital pay services have also been launched.

Pay-Per-View (PPV) Services (*Pay Television Regulations, 1990*)

- There are six (terrestrial) pay-per-view services: four English-language, one bilingual and one French-language.
- There are currently six direct-to-home (DTH) pay-per-view services: four English-language, one bilingual, and one French-language.

Video on Demand (VOD) Services (*Pay Television Regulations, 1990*)

- There are 9 licensed video-on-demand programming undertakings.

Services Licensed for Digital Distribution

- On November 24, 2000 the Commission issued decisions authorizing the following digital services:
  - 16 English and 5 French-language category 1 specialty services that must be carried by all distributors who make use of digital technology. These services were approved following a competitive hearing. Category 1 services were licensed on a one-per-genre basis. In September 2001, the 16 English-language services launched. The implementation deadline for the 5 French-language services has been extended to September 30, 2004[9].
  - 262 category 2 specialty services, that do not have guaranteed access, including 186 English-language specialty, 19 French-language specialty, 42 ethnic specialty, 6 bilingual specialty, 7 English-language pay and 2 French-language pay television services.

    Category 2 specialty services are licensed on a more competitive, open-entry basis and the Commission continues to approve additional category 2 services.

[8] Languages otehr than English and French or those of Aboriginal Canadians.
[9] Third extension of implementation deadline, Decision 2003-400, 15 August 2003

## 1. Financial Results for Pay, PPV and Specialty Analog & Digital Services

- The following table provides the 2002 financial results[10] of Pay, PPV and Specialty Analog and Digital services. Services are sorted by launch date.

### Table 3.13: English-Language Analog Specialty Services

| Launched | Service | Genre | | August 31, 2002 (000) # of Subscr. | | Total Revenue $ | PBIT $ | PBIT Margin |
|---|---|---|---|---|---|---|---|---|
| Sep-84 | - MuchMusic | Music Video - Rock Altern. Rap | | 7,127 | | 44,910 | 10,871 | 24% |
| | - TSN (Sports Network, The) | Sports | | 8,203 | | 173,617 | 49,004 | 28% |
| | | | Average | 7,665 | 2 | 109,264 | 29,938 | 27% |
| Sep-88 | - YTV | Kids/Teens/Family | | 8,012 | | 80,245 | 28,686 | 36% |
| | - WeatherMétéomédia (b) | Information - Weather | | 9,290 | | 36,848 | 7,245 | 20% |
| | - VisionTV | Religious (non-profit) | | 7,446 | | 15,535 | 1,046 | 7% |
| Jul-89 | - Newsworld | News & Information (non-profit) | | 8,941 | | 68,072 | 5,881 | 9% |
| | | | Average | 8,422 | 4 | 50,175 | 10,715 | 21% |
| Jan-95 | - Showcase | Drama & Film | | 5,599 | | 34,553 | 14,603 | 42% |
| | - Bravo! | Perform. & Visual Arts | | 5,886 | | 28,695 | 7,292 | 25% |
| | - Discovery Channel, The | Nature/Science & Tech. | | 7,048 | | 56,633 | 19,928 | 35% |
| | - W (Women's Television Network) | Lifestyle - Women | | 6,451 | | 38,438 | 11,202 | 29% |
| | - CMT (Country Music Television) | Music Video - Country | | 7,976 | | 14,209 | 3,450 | 24% |
| | - Life Network, The | Doc. & Information | | 5,625 | | 30,694 | 2,597 | 8% |
| | | | Average | 6,431 | 6 | 33,870 | 9,845 | 29% |
| Fall-97 | - Score, The | Sports - Video Highlights | | 5,203 | | 17,390 | (17,784) | -102% |
| | - Space | Science Fiction | | 4,789 | | 32,868 | 3,065 | 9% |
| | - Teletoon/Télétoon (b) | Animated Programming | | 5,871 | | 55,363 | 23,085 | 42% |
| | - History Television, The | Information - History | | 5,053 | | 22,541 | 11,044 | 49% |
| | - HGTV Canada | Lifestyle - House & Garden | | 4,742 | | 21,659 | 3,612 | 17% |
| | - Comedy Network, The | Comedy | | 4,591 | | 29,620 | 5,772 | 19% |
| | - OutdoorLife Network | Info - Adv./Outdoor/Recreat. | | 4,709 | | 11,375 | 3,183 | 28% |
| | - Prime TV | Lifestyle - 50+ | | 4,722 | | 24,731 | 11,435 | 46% |
| | - Newsnet | News - Headlines | | 6,959 | | 12,748 | (1,199) | -9% |
| Mar-98 | - Pulse 24 (CP24) | News & Inf. - Reg. Ont. | | 2,392 | | 6,227 | (2,460) | -39% |
| | | | Average | 4,903 | 10 | 23,452 | 3,975 | 17% |
| Fall-98 | - MuchMoreMusic | Music Video - Adult Contemp. | | 6,353 | | 11,210 | 2,890 | 26% |
| | - Treehouse | Children | | 5,259 | | 8,953 | 2,583 | 29% |
| | - Rogers Sportsnet | Sports | | 7,135 | | 95,594 | (2,631) | -3% |
| | | | Average | 6,249 | 3 | 38,586 | 947 | 2% |
| Fall-99 | - Canadian Learning Channel (CLT) | Learning / Education | | 3,442 | | 9,187 | 3,408 | 37% |
| | - Star-TV | Entertainment Info | | 3,791 | | 11,975 | 2,736 | 23% |
| | - ROBTv | News - Business | | 4,243 | | 14,932 | (4,207) | -28% |
| | | | Average | 3,825 | 3 | 12,031 | 646 | 5% |
| Fall-00 | - Food Network Canada | Lifestyle - Food | | 3,908 | | 13,334 | 2,798 | 21% |
| | - Talk-TV | Information - Talk | | 4,108 | | 2,973 | (2,096) | -71% |
| | | | Average | 4,008 | 2 | 8,154 | 351 | 4% |
| TOTAL - English-Language Specialty Services | | | | | 30 | 1,025,131 | 207,041 | 20% |
| | | | Average | 5,829 | | 34,171 | 6,901 | |

[10] Based on services reporting to the CRTC.

## Table 3.14: French-Language Analog Specialty Services

| Launched | Service | Genre | August 31, 2002 (000) # of Subscr. | | Total Revenue $ | PBIT $ | PBIT Margin |
|---|---|---|---|---|---|---|---|
| Sep-68 | -VRAK TV (Canal Famille) | Children / Family Progr. | 2,189 | | 16,826 | 6,901 | 41% |
| | -MusiquePlus | Music Video | 2,165 | | 14,488 | 1,386 | 10% |
| | -RDS (Réseau des Sports) | Sports | 2,483 | | 63,866 | 15,471 | 24% |
| | -TVS | Cdn. / Intern. Franc. Progr. Non Profit | 5,961 | | 13,968 | (550) | -4% |
| | -Météomédia (Weather (b) | Information - Weather | n/a | | n/a | n/a | n/a |
| | | Average | 3,200 | 4 | 27,287 | 5,802 | 21% |
| Jan-95 | -CanalD | Doc / Films / Series / Perf. Arts | 2,092 | | 23,197 | 9,671 | 42% |
| | -RDI (Réseau de Information) | News & Information (Non Profit) | 8,256 | | 40,767 | 621 | 2% |
| | | Average | 5,174 | 2 | 31,982 | 5,146 | 16% |
| Sep-97 | -CanalVie | Lifestyle / Health | 1,671 | | 25,906 | 10,026 | 39% |
| | -LCN - Le Canal Nouvelles | News & Information | 1,593 | | 14,283 | 6,882 | 48% |
| | -Musimax | Music Video - All Forms | 1,617 | | 6,874 | 1,134 | 16% |
| | -Teletoon/Télétoon (b) | Animated Programming | n/a | | n/a | n/a | n/a |
| | | Average | 1,627 | 3 | 15,688 | 6,014 | 38% |
| Jan-00 | -CanalÉvasion | Tourism / Adv. / Travel | 970 | | 3,450 | (1,956) | -57% |
| | -CanalZ | Science/Tech/Sc Fiction | 961 | | 7,349 | (3,777) | -51% |
| | -Historia | History | 961 | | 5,865 | (3,456) | -59% |
| | -Séries+ | Cdn. & Intern. Drama Progr., | 961 | | 9,817 | 404 | 4% |
| | | Average | 963 | 4 | 6,620 | (2,296) | -33% |
| Fall 01 | -ARTV | Arts | 1,466 | 1 | 8,843 | (951) | -11% |
| TOTAL - French-Language Specialty Services | | | | 16 | 255,498 | 41,806 | 16% |
| | | Average | 2,382 | 14 | 18,250 | 2,986 | |

*(b) Aug 31/01 Results for bilingual services reported with English-language specialty services*

## Table 3.15: Ethnic Specialty Analog Services

| Launched | Service | Language | August 31, 2002 (000) # of Subscr. | Total Revenue $ | PBIT $ | PBIT Margin |
|---|---|---|---|---|---|---|
| 1984 | -Fairchild TV | Chinese - Predominately Cantonese | 313 | 20,945 | 2,416 | 12% |
| 1984 | -Telelatino | Italian / Hispanic | 3,250 | 12,752 | 5,707 | 45% |
| 1992 | -Talentvision | Chinese - Predominately Mandarin | 24 | 2,973 | (1,226) | -41% |
| 1997 | -ATN (Asian Television Network) | South Asian - Predominately Hindi | 35 | 2,335 | (242) | -10% |
| 1999 | -Odyssey * | Greek | na | 705 | (53) | -7% |
| TOTAL - Ethnic Specialty Services | | | | 5 39,710 | 6,602 | 17% |
| | | Average | | 7,942 | 1,320 | |

## Table 3.16: English and French-Language Pay & PPV Services

| Launched | Name | Lang./Type | August 31, 2002 (000) # of Subscr. | Total Revenue $ | PBIT $ | PBIT Margin |
|---|---|---|---|---|---|---|
| 1983-4 | - SuperÉcran | f PAY | 409 | 39,245 | 9,947 | 25% |
| | - SuperChannel (MovieCentral) | e PAY | 399 | 61,446 | 14,609 | 24% |
| | - TMN (Movie Network, The) | e PAY | 811 | 77,028 | 16,934 | 22% |
| 1988 | - Family Channel, The | e PAY | 4,454 | 41,486 | 11,928 | 29% |
| 1992 | - Shaw Pay-Per-View | e TerrestrialPPV | 427 | 14,593 | 5,865 | 40% |
| | - Viewers Choice Canada | e TerrestrialPPV | 656 | 19,248 | 4,439 | 23% |
| 1995 | - MovieMax! | e PAY | 589 | 10,652 | 4,090 | 38% |
| | - Moviepix! | e PAY | 1,098 | 16,283 | 7,417 | 46% |
| 1997 | - Canal Indigo | f TerrestrialPPV | 343 | 5,085 | (159) | -3% |
| | - Canal Indigo | f DTH PPV | 150 | 1,572 | 586 | 37% |
| | - Shaw Pay-Per-View | e DTH PPV | 272 | 5,947 | 2,312 | 39% |
| | - Viewers Choice Canada | e DTH PPV | 284 | 6,210 | 2,251 | 36% |
| | Subtotal (Services launched 1983 to 97) | | | 298,794 | 80,220 | 27% |
| 2000 | - Bell ExpressVu | b DTH PPV | na | 32,460 | 168 | 1% |
| 2001 | - Bell ExpressVu | b TerrestrialPPV | na | na | na | na |
| 2001 | Breakaway | e Terrestrial & DTH PPV | na | 1,259 | (0) | 0% |
| | Total Pay & PPV Services - English & French-Languages | | 15 | 332,513 | 80,388 | 24% |

## Table 3.17: Digital Category 1 and 2 Pay & Specialty Services

| Launched | | Service | Genre | Type | August 31, 2002 ($000) # of Subscr. | Revenue $ | PBIT $ | PBIT Margin |
|---|---|---|---|---|---|---|---|---|
| | | Category 1 Digital Services: English-Language | | | | | | |
| Fall 01 | 1 | Biography Channel, The | Biographies | Sp 1 | 487 | 1,326 | (1,696) | -128% |
| | 2 | Book Television: The Channel | Literature | Sp 1 | 373 | 971 | (699) | -72% |
| | 3 | Canadian Documentary Channel, The | Documentary | Sp 1 | 464 | 1,177 | (2,896) | -246% |
| | 4 | Country Canada | Rural Info & Entertainment | Sp 1 | 374 | 924 | (2,782) | -301% |
| | 5 | CTV Travel (TravelTV) | Travel | Sp 1 | 351 | 1,152 | (1,265) | -110% |
| | 6 | Discovery Health Network | Health | Sp 1 | 486 | 1,501 | (5,184) | -345% |
| | 7 | Fashion Television: The Channel | Fashion/Art | Sp 1 | 410 | 1,097 | (964) | -88% |
| | 8 | ICHannel | Public Affairs | Sp 1 | 461 | 951 | (4,742) | -499% |
| | 9 | Independent Film Channel, The | Independent Film Productions | Sp 1 | 521 | 1,596 | (4,394) | -275% |
| | 10 | Men TV (M) | Men | Sp 1 | 499 | 1,458 | (4,267) | -293% |
| | 11 | MTV Canada | Teen | Sp 1 | 464 | 1,782 | (6,031) | -338% |
| | 12 | Mystery | Mystery & Suspense | Sp 1 | 474 | 1,533 | (4,476) | -292% |
| | 13 | One: Canada's Mind, Body & Spirit Channel | Holistic Health | Sp 1 | 530 | 1,233 | (1,739) | -141% |
| | 14 | PrideVision | Gay/Lesbian | Sp 1 | 20 | 1,204 | (9,792) | -814% |
| | 15 | TechTV | Technology | Sp 1 | 468 | 1,493 | (1,559) | -104% |
| | 16 | WTSN | Women's Sports | Sp 1 | 318 | 694 | (2,438) | -351% |
| | | Category 1 Digital Services - Total | | 16 | | 20,091 | (54,925) | -351% |
| | | | | Average | 419 | 1,256 | (3,433) | |

## Table 3.17: Digital Category 1 and 2 Pay & Specialty Services (cont'd)

| Launched | | Service | Genre | Type | August 31, 2002 ($000) # of Subscr. | Revenue $ | PBIT $ | Margin |
|---|---|---|---|---|---|---|---|---|
| | Category 2 Digital Services: English-Language | | | | | | | |
| | 1 | Animal Planet | Animals | Sp 2 | 625 | 1,201 | (262) | -22% |
| | 2 | BBC Canada | UK Drama | Sp 2 | 498 | 1,423 | (5,063) | -356% |
| | 3 | BBC Kids | Kids & Youth | Sp 2 | 229 | 530 | (3,865) | -729% |
| | 4 | BPM TV | Dance | Sp 2 | 251 | 61 | (1,283) | -2089% |
| | 5 | Court TV Canada | Law & Order | Sp 2 | 735 | 2,654 | (817) | -31% |
| | 6 | Deja View | Classic Drama | Sp 2 | 461 | 1,125 | (5,197) | -462% |
| | 7 | Discovery Civilization Channel | People/History | Sp 2 | 418 | 785 | (564) | -72% |
| | 8 | Discovery Kids | Kids & Youth | Sp 2 | 439 | 878 | (1,338) | -153% |
| | 9 | Drive In Classics | B Movies | Sp 2 | 343 | 830 | (527) | -63% |
| | 10 | Edge TV | Alternative Music Video | Sp 2 | 255 | 299 | (3,045) | -1018% |
| | 11 | ESPN Classics | Classic Sports | Sp 2 | 318 | 602 | (1,545) | -257% |
| | 12 | Fox Sports World | Cricket/Rugby/Soccer | Sp 2 | 342 | 904 | (6,324) | -700% |
| | 13 | Green Channel, The | Environmental Issues | Sp 2 | 45 | 46 | (1,107) | -2382% |
| | 14 | Leafs TV | Maple Leaf Hockey | Sp 2 | 57 | 722 | (4,935) | -683% |
| Fall 01 | 15 | Lonestar | Action/Western Drama | Sp 2 | 450 | 1,215 | (4,720) | -388% |
| | 16 | MSNBC Canada | US & Cdn. News | Sp 2 | 221 | 508 | (1,939) | -382% |
| | 17 | MTV 2 | Pop Music Video | Sp 2 | 212 | 251 | (1,654) | -658% |
| | 18 | Much LOUD | Hard Rock/Alternative Music | Sp 2 | 46 | 58 | (286) | -493% |
| | 19 | Much Vibe | Urban Music Video | Sp 2 | 251 | 97 | (419) | -432% |
| | 20 | National Geographic Channel | Geography/Science | Sp 2 | 466 | 1,580 | (6,301) | -399% |
| | 21 | NHL Network, The | Hockey | Sp 2 | 329 | 1,364 | (3,513) | -258% |
| | 22 | Racing Network Canada, The | Horse Racing | Sp 2 | 176 | 751 | (8,294) | -1105% |
| | 23 | Raptors NBA TV | Raptors Basketball | Sp 2 | 318 | 1,463 | (3,595) | -246% |
| | 24 | Scream | Horror Drama | Sp 2 | 606 | 1,263 | (2,658) | -210% |
| | 25 | SexTV: The Channel | Sex/Relationships | Sp 2 | 347 | 929 | (1,041) | -112% |
| | 26 | Showcase Action | Action Drama | Sp 2 | 708 | 2,339 | (3,298) | -141% |
| | 27 | Showcase Diva | Romance Drama | Sp 2 | 549 | 1,882 | (4,045) | -215% |
| | 28 | TV Land | Classic Drama | Sp 2 | 474 | 1,103 | (3,158) | -286% |
| | 29 | Xtreme Sports | Extreme Sports | Sp 2 | 315 | 811 | (4,453) | -549% |
| | | Total Category 2 Digital Services - English-Language | | | 29 | 27,674 | (85,244) | -22% |
| | | | | Average | 361 | 954 | (2,939) | |
| | Category 2 Digital Services: Third-Language | | | | | | | |
| | 1 | Festival Portuguese Television | Portuguese | Sp 2 | 4 | 693 | (267) | -38% |
| Fall 01 | 2 | Odyssey 2 * | Ethnic - Greek | Sp 2 | - | 98 | (39) | -40% |
| | 3 | SSTV | 50% Punjabi & 25% Hindi | Sp 2 | 4 | 199 | (10) | -5% |
| | | Total Category 2 Digital Services - Third-Language | | | 3 | 990 | (316) | -38% |
| | | | | Average | 4 | 330 | (105) | |
| | | Category 2 Digital Services - Total | | | 32 | 28,664 | (85,560) | -38% |
| | | | | Average | 361 | 896 | (2,674) | |
| | Total Category 1 & 2 Digital Services | | | | 48 | 48,755 | (140,485) | -38% |
| | | | | Average | 366 | 1,016 | (2,927) | |

Source: CRTC Financial Database (October 2003)

* Odyssey's financial results are not included in the CRTC's 2002 Pay & Specialty Statistical & Financial Summaries

Legend: Language: E-English; F-French; B-English/French; O-Other / Type: Sp 1-Digital Category 1 Specialty; Sp 2-Digital Category 2 Specialty; Pay 2- Category 2 Digital Pay Service; PPV-Terrestrial Pay-Per-View Service; DTHPPV-Direct-to-home Pay-Per-View Service

## Table 3.18: Digital Channels – Who is Being Carried as of November 3, 2003

- The following table lists the digital services that are being carried by a selection of distributors including Bell ExpressVu, Star Choice, Shaw in Vancouver, Rogers in Ontario, Cogeco in Burlington, and Vidéotron in Montréal.

✓ Category 1 Speciality Services Offered
✓ Category 2 Pay and Speciality Services Offered

| | Service | Genre | Category | Bell Express Vu | Star Choice | Shaw – Vancouver | Rogers – Ontario | Cogeco – Burlington | Videotron – Montréal |
|---|---|---|---|---|---|---|---|---|---|
| | Arts & Entertainment | | | | | | | | |
| 1 | BPM:TV | Dance | 2 | ✓ | | | ✓ | ✓ | |
| | Music Video | | | | | | | | |
| 2 | Cool TV | Jazz/Blues/World Music | 2 | ✓ | | | ✓ | | |
| 3 | MTV 2 (Pop) | Pop Music | 2 | | ✓ | | ✓ | ✓ | |
| 4 | MuchLOUD | Hard Rock/Alternative | 2 | | | | ✓ | ✓ | |
| 5 | MuchMoreRETRO | Classic Video | 2 | ✓ | | | ✓ | | |
| 6 | MuchVibe | Urban Music Video | 2 | ✓ | | | ✓ | ✓ | |
| | Movies/Film/Drama | | | | | | | | |
| 7 | BBC Canada | UK Drama | 2 | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| 8 | DejaView | Classic Drama | 2 | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| 9 | Drive In Classics | "B" Movies | 2 | ✓ | | | ✓ | ✓ | ✓ |
| 10 | Independent Film Channel, The | Independent Film Prod. | 1 | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| 11 | Lonestar | Action/Western Drama | 2 | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| 12 | Moviola | Short Film | 2 | ✓ | | | ✓ | ✓ | |
| 13 | Mystery | Mystery | 1 | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| 14 | Scream | Horror Drama | 2 | ✓ | ✓ | | ✓ | ✓ | ✓ |
| 15 | Showcase Action | Action Drama | 2 | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| 16 | Showcase Diva | Romance Drama | 2 | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| 17 | Silver Screen Classics | Classic Movies | 2 | ✓ | | | | | |
| 18 | TV Land | Classic Drama | 2 | ✓ | ✓ | | ✓ | ✓ | ✓ |
| | Sports | | | | | | | | |
| 19 | ESPN Classics | Classic Sports | 2 | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| 20 | Fox Sports World | Cricket/Rugby/Soccer | 2 | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| 21 | Leafs TV | Maple Leaf Hockey | 2 | ✓ | ✓ | | ✓ | ✓ | |
| 22 | NHL Network, The | Hockey | 2 | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| 23 | Racing Network Canada, The | Horse Racing | 2 | ✓ | | | ✓ | ✓ | |
| 21 | Raptors NBA TV | Raptors Basketball | 2 | ✓ | ✓ | | ✓ | ✓ | |
| 22 | Xtreme Sports | Extreme Sports | 2 | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| | Kids/Youth/Teen | | | | | | | | |
| 23 | BBC Kids | Kids & Youth | 2 | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| 24 | Discovery Kids | Kids & Youth | 2 | ✓ | ✓ | ✓ | ✓ | ✓ | |
| 25 | MTV Canada (Connect) | Teen | 1 | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| | Lifestyles | | | | | | | | |
| 26 | CTV Travel | Travel | 1 | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| 27 | Court TV Canada | Law & Order | 2 | ✓ | ✓ | | ✓ | ✓ | ✓ |
| 28 | Fashion Television: The Channel | Fashion/Art | 1 | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| 29 | Men TV (M) | Men | 1 | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| 30 | PrideVision | Gay/Lesbian | 1 | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| 31 | SexTV: The Channel | Sex/Relationships | 2 | ✓ | | | ✓ | ✓ | ✓ |

| | Service | Genre | Category | Bell Express | Star | Shaw – Vancouver | Rogers – Ontario | Cogeco – Burlington | Videotron – Montréal |
|---|---|---|---|---|---|---|---|---|---|
| | Science/Nature/Social Studies | | | | | | | | |
| 32 | Animal Planet | Animals | 2 | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| 33 | Biography Channel, The | Biographies | 1 | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| 34 | Canadian Documentary Channel, The | Documentary | 1 | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| 35 | Discovery Civilization Channel | People/History | 2 | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| 36 | Discovery Health Network | Health | 1 | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| 37 | Green Channel, The | Environmental Issues | 2 | | | | ✓ | ✓ | |
| 38 | National Geographic Channel | Geography/Science | 2 | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| 39 | One: Canada's Mind, Body and Spirit Channel | Holistic Health | 1 | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| | News/Doc./Information | | | | | | | | |
| 40 | Country Canada | Rural Info & Entertainment | 1 | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| 41 | iChannel | Public Affairs | 1 | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| 42 | MSNBC Canada | US & Cdn News | 2 | | ✓ | ✓ | ✓ | ✓ | ✓ |
| | Education and Learning | | | | | | | | |
| 43 | Book Television: The Channel | Literature | 1 | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| 44 | TechTV | Technology | 1 | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| | Ethnic | | | | | | | | |
| 45 | All TV (Doragi Television Network) | Korean | 2 | | | | ✓ | | |
| 46 | ATN Alpha Punjabi | Punjabi | 2 | ✓ | | | ✓ | | |
| 48 | ATN B4U Hindi Movie Channel | Hindi | 2 | ✓ | | | ✓ | | |
| 49 | ATN Tamil Channel | Tamil | 2 | ✓ | | | ✓ | | |
| 50 | Festival Portuguese Television | Portuguese | 2 | | | | ✓ | | |
| 51 | Inner Peace Television Network (Salt & Light Television) | Ethnic- 7 Languages Single-point-of-view Catholic | 2 | | | | ✓ | | |
| 52 | ITBC Television Canada | Tamil | 2 | | | | ✓ | | |
| 53 | Odyssey II | Greek | 2 | ✓ | | | ✓ | | |
| 54 | S.S.T.V. | Ethnic – Punjabi & Hindi | 2 | | | | ✓ | | |
| 55 | Tamil Vision | Ethnic Tamil | 2 | | | | ✓ | | |
| | Adult Entertainment | | | | | | | | |
| 56 | Hustler Channel, The | Adult Entertainment | 2 | | ✓ | ✓ | | | |
| Number of category 1 digital specialty services carried *(see note)* | | | 1 | 15 | 15 | 15 | 15 | 15 | 15 |
| Number of category 2 digital pay & speciality services carried *(see note)* | | | 2 | 32 | 22 | 16 | 41 | 29 | 19 |
| **Total number of category 1 & 2 digital specialty services carried** | | | | **47** | **37** | **31** | **56** | **44** | **34** |
| *Last Year's Totals* | | | | *40* | *36* | *31* | *57* | *46* | *32* |

Source: Distributors Websites as of November 3, 2003
Note: As of November 3, 2003, Edge TV and High School Television Network digital category 2 services and WTSN, category 1 service have gone off the air.

## G. Companies with Significant Ownership Interests in Specialty, Pay, PPV Analog and Digital Services

### Table 3.19: Companies with Significant Ownership Interest in Specialty, Pay, PPV Services as at November 3, 2003

| Alliance Atlantis | Language | Direct/Indirect Voting Interest |
|---|---|---|
| Analog Specialty Services: | | |
| • Life Network, The | e | 100% |
| • Showcase | e | 100% |
| • History Television, The | e | 100% |
| • HGTV Canada (Home & Garden Television) | e | 80.24% |
| • Food Network Canada | e | 57.61% |
| • Séries+ | f | 50% |
| • Historia | f | 50% |
| • The Score (Headline Sports) | e | 33.09% |
| Category 1 Digital Specialty Services: | | |
| • Independent Film Channel, The | e | 95% |
| • Discovery Health Network | e | 80% |
| • PrideVision | e | 33.09% |
| • One: The Body, Mind & Spirit | e | 29.9% |
| Category 2 Digital Specialty Services: | | |
| • Showcase Diva | e | 100% |
| • Showcase Action | e | 100% |
| • BBC Canada | e | 80% |
| • BBC Kids | e | 80% |
| • National Geographic Canada | e | 64% |
| • Scream | e | 49% |

| Astral Media | Language | Direct/Indirect Voting Interest |
|---|---|---|
| Analog Specialty Services: | | |
| • VRAK-TV (Canal Famille) | f | 100% |
| • Canal D | f | 100% |
| • Canal Vie | f | 100% |
| • Canal Z | f | 100% |
| • Historia | f | 50% |
| • Séries+ | f | 50% |
| • MusiquePlus | f | 50% |
| • Musimax | f | 50% |
| • Teletoon / Télétoon | b | 40% |
| Category 1 Digital Specialty Services: | | |
| - Perfecto, La Chaîne *(1)* | f | 50% |
| Pay Services: | | |
| • Moviepix! (The Classic Channel) | e | 100% |
| • TMN (Movie Network, The) | e | 100% |
| • SuperÉcran | f | 100% |
| • Family Channel, The | e | 100% |
| PPV Services: | | |
| • Viewers Choice Canada (Terrestrial & DTH) | e | 50.1% |
| • Canal Indigo (Terrestrial & DTH) | f | 20.01% |

| BCE | Language | Direct/Indirect Voting Interest |
|---|---|---|
| PPV Service (Terrestrial & DTH): | | |
| • Bell ExpressVu | b | 100% |
| Category 1 Digital Specialty Services: | | |
| • LCN Affaires (1) | f | 19.9% |
| Bell Globemedia BCE Inc. holds 68.5% voting interest in Bell Globemedia Inc. | | |
| Analog Specialty Services: | | |
| • Newsnet | e | 100% |
| • TalkTV | e | 100% |
| • ROBTv | e | 100% |
| • Comedy Network, The | e | 100% |
| • TSN (Sports Network, The) | e | 80% |
| • RDS - Réseau des Sports | f | 80% |
| • Discovery Channel, The | e | 64% |
| • Outdoor Life Network (OLN) | e | 33.3% |
| • ARTV | f | 16% |
| Category 1 Digital Specialty Services: | | |
| • CTV Travel | e | 100% |
| • WTSN (2) | e | 80% |
| • RDS Info-Sports (Réseau Info Sports) (1) | f | 80% |
| Category 2 Digital Specialty Services: | | |
| • ESPN Classic Canada | e | 80% |
| • Discovery Civilization Channel | e | 64% |
| • Animal Planet | e | 64% |
| • NHL Network, The | e | 17.14% |
| • Raptors NBA-TV | e | 15.44% |
| • Leaf TV | e | 15.44% |
| PPV Services: | | |
| • Viewer's Choice Canada (Terrestrial & DTH) | e | 19.96% |
| • Canal Indigo (Terrestrial & DTH) | f | 7.98% |

| CanWest | Language | Direct/Indirect Voting Interest |
|---|---|---|
| Analog Specialty Services: | | |
| • Prime TV | e | 100% |
| Category 1 Digital Specialty Services: | | |
| • MenTV (M) | e | 49% |
| • Mystery | e | 45.04% |
| • Canal Mystère (13ième rue) (1) | f | 45.09% |
| Category 2 Digital Specialty Services: | | |
| • Cool TV | e | 100% |
| • DejaView (Pop TV) | e | 100% |
| • Fox Sports World Canada | e | 100% |
| • Lonestar (Adventure) | e | 100% |
| • Xtreme Sports | e | 100% |

| CBC / SRC | Language | Direct/Indirect Voting Interest |
|---|---|---|
| Analog Specialty Services: | | |
| • Newsworld | e | 100% |
| • RDI – Réseau de l'information | f | 100% |
| • ARTV | f | 37% |
| Category 1 Digital Specialty Services: | | |
| • Country Canada | e | 100% |
| • Canadian Documentary Channel, The | e | 29% |
| Pay Services: | | |
| • Galaxie (Pay Audio) | e/f | 100% |

| CHUM | Language | Direct/Indirect Voting Interest |
|---|---|---|
| Analog Specialty Services: | | |
| • Bravo! | e | 100% |
| • MuchMusic | e | 100% |
| • MuchMoreMusic | e | 100% |
| • Space | e | 100% |
| • Star-TV | e | 100% |
| • Pulse24 (CP24) | e | 70.1% |
| • Canadian Learning Television (CLT) | e | 60% |
| • MusiquePlus | f | 50% |
| • Musimax | f | 50% |
| Category 1 Digital Specialty Services: | | |
| • FashionTelevision: The Channel | e | 100% |
| • Book Television: The Channel | e | 60% |
| • Perfecto, La chaîne *(1)* | f | 50% |
| Category 2 Digital Specialty Services: | | |
| • Drive-in Classics | e | 100% |
| • MuchLOUD | e | 100% |
| • MuchMoreRETRO | e | 100% |
| • MuchVibe | e | 100% |
| • SexTV: The Channel | e | 100% |
| • Court TV Canada | e | 60% |

| Corus | Language | Direct/Indirect Voting Interest |
|---|---|---|
| Analog Specialty Services: | | |
| • YTV | e | 100% |
| • TreeHouse | e | 100% |
| • W (Women's Television Network) | e | 100% |
| • CMT (Country Music Television) | e | 90% |
| • Telelatino (Ethnic Service: Italian & Hispanic/Spanish) | o | 50.5% |
| • Teletoon/Télétoon | b | 40% |
| • Food Network Canada | e | 10% |
| Category 1 Digital Specialty Services: | | |
| • Canadian Documentary Channel, The | e | 53% |
| Category 2 Digital Specialty Services: | | |
| • Edge TV *(2)* | e | 100% |
| • Discovery Kids | e | 80% |
| • Scream | e | 51% |
| Pay Services: | | |
| • SuperChannel (MovieCentral) | e | 100% |
| • MovieMax! | e | 100% |
| • MaxTrax (Pay Audio) | e/f | 100% |

| Quebecor Media Inc. | Language | Direct/Indirect Voting Interest |
|---|---|---|
| • Quebecor inc. holds 54.72% in Quebecor Media Inc. | | |
| TVA Group Inc. | | |
| • Quebecor Media Inc. holds 99.9% voting interest in TVA Group Inc. | | |
| Analog Specialty Services: | | |
| • LCN - Le Canal Nouvelles | f | 100% |
| • Pulse 24 (CP24) | e | 29.9% |
| • Canal Evasion | f | 8.31% |
| Category 1 Digital Specialty Services: | | |
| • MenTV (M) | e | 51% |
| • Mystery | e | 45.05% |
| • Télé Hat Hat *(1)* | f | 60.2% |
| • LCN Affaires *(1)* | f | 50.1% |
| • Canal Mystère (13ième rue) *(1)* | f | 45.05% |
| PPV Services: | | |
| • Canal Indigo (Terrestrial & DTH) | f | 20% |

| Rogers Media | Language | Direct/Indirect Voting Interest |
|---|---|---|
| Analog Specialty Service: | | |
| • Rogers Sportsnet | e | 80% |
| • Outdoor Life Network (OLN) | e | 33.3% |
| Category 1 Digital Specialty Services: | | |
| • Biography Channel, The | e | 40% |
| • TechTV | e | 33.33% |
| • Mystery | e | 9.9% |
| • Canal Mystère (13ième rue) *(1)* | f | 9.9% |
| Category 2 Digital Specialty Services: | | |
| • MSNBC Canada | e | 33.3% |
| PPV Services: | | |
| • Sports/Specials Pay-per-View (Terrestrial & DTH) | e | 80% |
| • Viewer's Choice Canada (Terrestrial & DTH) | e | 24.95% |
| • Canal Indigo (Terrestrial & DTH) | f | 9.98% |

| Shaw | Language | Direct/Indirect Voting Interest |
|---|---|---|
| Category 1 Digital Specialty Services: | | |
| • Biography Channel, The | e | 40% |
| • TechTV | e | 33.3% |
| Category 2 Digital Specialty Service: | | |
| • MSNBC Canada | e | 33.3% |
| PPV Service: | | |
| • Shaw Pay-per-View (Terrestrial & DTH) | e | 100% |

Notes to Table 3.19:

- e = English; f = French; O = Other; b = English/French
- Percentage of ownership interest indicated is related to the percentage of direct and indirect voting interest.
- Includes only category 2 services that have been launched (as at November 3, 2003).
- (1) These Category 1 digital services are still unlaunched. The ownership percentage has not been officially confirmed.
- (2) As November 3, 2003, Edge TV and WTSN are no longer broadcasting.

Sources: CRTC Acquisition & Ownership Policy Section, Industry Analysis Division and CRTC Decisions

## H. Ethnic Television Stations

- Section 3 (d) (iii) of the *Broadcasting Act* states, in part, that the Canadian broadcasting system should reflect the circumstances and aspirations of all Canadians including the multicultural and multiracial nature of Canadian society.

- The principal components of the Commission's policy on ethnic broadcasting are set out in the *Ethnic broadcasting policy*, Public Notice CRTC 1999-117, 16 July 1999 (the Ethnic Policy). Among other things, the policy provides a framework for the licensing of an array of radio and television services in languages relevant to Canadian ethnocultural communities.

- Pursuant to the Ethnic Policy, ethnic television stations are required to devote at least 60% of their schedules to ethnic programming, and at least 50% of their schedules must consist of third-language programming.

- Ethnic programming is defined as programming directed to any culturally or racially distinct group other than one that is Aboriginal Canadian, or from France or the British Isles. Such programming may be in any language or combination of languages.

- Third-language programming is programming in languages other than English and French or those of Aboriginal Canadians.

### 1. Over-the-air Ethnic Television Stations

- As a way of reflecting the circumstances and aspirations of the multicultural and multiracial nature of Canadian society and within the framework of the Ethnic Policy, the Commission has licensed four ethnic conventional television stations serving the following markets:

#### a) Montréal

**CJNT-TV** was approved in August 1995. This station is currently owned and operated by Global Communications Limited.

CJNT-TV is required to broadcast ethnic programs directed towards not less than 18 distinct ethnic groups monthly and 25 annually. It also broadcasts in at least 15 different languages monthly and 25 annually.

#### b) Toronto

There are currently two ethnic conventional television stations licensed to serve the Toronto market. Both of these stations are owned and operated by Rogers Broadcasting Limited.

- **OMNI 1** (formerly CFMT-TV) operates in the metropolitan Toronto/Hamilton area with re-transmitters in Ottawa and London making it available to approximately 70% of all Ontario residents[11]. This station was approved in December 1978.

  OMNI 1 is required to broadcast on a monthly basis, ethnic programs directed towards not less than 18 distinct ethnic groups in a minimum of 15 different languages.

- **OMNI 2** was approved in April 2002. This station provides programming of interest to the Asian and African communities in the Toronto/Hamilton area. Currently before the Commission[12], is an application to add rebroadcasting transmitters in the Ottawa and London markets.

  OMNI 2 was launched in September 2002 and is required to broadcast to a minimum of 22 ethnic groups and in at least 18 different languages monthly.

### c) Vancouver

Channel M was approved in February 2002. This station is currently operated by Multivan Broadcast Limited Partnership and was launched on June 27, 2003.

Channel M is required to broadcast ethnic programming directed to at least 22 ethnic groups in a minimum of 22 distinct languages per month.

The following table outlines the languages of ethnic programming scheduled for broadcast during a typical week in September 2003. This information was provided by each station.

[11] CRTC Decision 2000-772.
[12] Broadcasting Notice of Public Hearing CRTC 2003-3.

## Table 3.20: Number of Ethnic Programming Hours Scheduled for Broadcast during a Typical Week in September 2003

| Language | CJNT-TV Montréal | OMNI 1 | OMNI 2 Toronto (1) | Channel M Vancouver | Total |
|---|---|---|---|---|---|
| 3rd Language Ethnic Programming | | | | | |
| - African | | | | 0.5 | 0.5 |
| - Albanian | | 1.0 | | | 1.0 |
| - Amharic | | | 1.0 | | 1.0 |
| - Arabic | 10.5 | | 2.0 | 2.0 | 14.5 |
| - Armenian | 1.5 | 2.0 | | | 3.5 |
| - Bengali | | | 1.0 | | 1.0 |
| - Chinese- Cantonese | 3.5 | | 17.0 | 13.0 | 33.5 |
| - Chinese – Mandarin | 1.5 | | 9.5 | 7.0 | 18.0 |
| - Czech | | 1.0 | | | 1.0 |
| - Creole | 2.0 | | | | 2.0 |
| - Dari | | | 0.5 | | 0.5 |
| - Estonian | | 1.0 | | | 1.0 |
| - German | 2.0 | 0.5 | | 1.0 | 3.5 |
| - Greek | 7.0 | 2.5 | | 0.5 | 10.0 |
| - Gujrati | | | | 1.0 | 1.0 |
| - Hebrew | 2.5 | | | | 2.5 |
| - Hindi | 2.5 | | 9.5 | 2.0 | 14.0 |
| - Hungarian | 2.0 | 1.0 | | | 3.0 |
| - Italian | 18.0 | 21.0 | | 2.5 | 41.5 |
| - Japanese | | | 3.0 | 2.0 | 5.0 |
| - Korean | | | 1.0 | 3.0 | 4.0 |
| - Latvian | | 1.0 | | | 1.0 |
| - Lithuanian | | 1.0 | | | 1.0 |
| - Macedonian | | 2.0 | | 2.0 | 4.0 |
| - Malayalam | | | 1.0 | | 1.0 |
| - Maltese | | 1.0 | | | 1.0 |
| - Persian – Farsi | 2.0 | | 2.0 | 2.0 | 6.0 |
| - Filipino – Tagalog | | | 1.0 | | 1.0 |
| - Polish | | 4.0 | | 3.0 | 7.0 |
| - Portuguese | 5.0 | 11.5 | | 1.5 | 18.0 |
| - Portuguese / Brazilian | | 5.0 | | | 5.0 |
| - Punjabi | | | 5.5 | 10.5 | 16.0 |
| - Pushto | | | 0.5 | | 0.5 |
| - Romanian | | 1.0 | | 1.0 | 2.0 |
| - Russian | | 4.0 | | 0.5 | 4.5 |
| - Sinhalese | | | 1.0 | | 1.0 |
| - Somali | | | 1.0 | | 1.0 |
| - Spanish | 9.5 | 3.0 | | 3.0 | 15.5 |
| - Tamil | | | 2.0 | 1.0 | 3.0 |
| - Turkish | | | 1.0 | | 1.0 |
| - Ukrainian | | 4.0 | | 2.0 | 6.0 |
| - Urdu | | | 1.0 | 1.0 | 2.0 |
| - Vietnamese | 1.5 | | 2.0 | | 3.5 |
| - Various (Ind. Producers Series) | | 1.0 | 1.0 | | 2.0 |
| Total 3rd Language | 71.0 | 68.5 | 63.5 | 62.0 | 265.0 |
| Number of 3rd Languages | 15 | 19 | 21 | 23 | |
| English & French Language Ethnic Programming | | | | | |
| - English | 2.0 | 10.0 | 24.5 | 14.0 | 50.5 |
| - French | 2.5 | | 1.0 | | 3.5 |
| Total English & French | 4.5 | 10.0 | 25.5 | 14.0 | 54.0 |
| Total Ethnic Programming | 75.5 | 78.5 | 89.0 | 76.0 | 319.0 |

Source: CJNT-TV, OMNI 1, OMNI 2 & Channel M: - based on a typical weekly schedule in September 2003
(1) OMNI 1 is rebroadcast over the air into the London and Ottawa markets.

## 2. Ethnic Pay & Specialty Services

In addition to ethnic conventional broadcasting services, the Commission has also licensed a number of ethnic specialty services.

### a) Analog Ethnic Specialty Services

There are five national Canadian analog ethnic specialty services offering programming in a variety of languages. These services are currently distributed either on a stand-alone basis or as part of a package with other discretionary services and are available to subscribers for a fee in addition to the basic monthly fee.

- Fairchild Television offers programming predominantly in Cantonese. The service was approved by the Commission in May 1984.

- Telelatino provides programs directed to Italian and Hispanic/Spanish audiences. The Commission approved this service in May 1984.

- Talentvision provides programming predominantly in Mandarin, complemented by some programming in the Vietnamese and Korean. The service was approved by the Commission in December 1993[13].

- Asian Television Network (SATV) serves South Asian communities in 15 South Asian languages, predominantly Hindi, supplemented by programming in English. The service was approved by the Commission in September 1996.

- Odyssey, a national specialty service, provides Greek language programming. With the exception of a small amount of news programming, 100% of its programming is in Greek. The service was approved by the Commission in September 1996.

### b) Category 2 Digital Ethnic Pay & Specialty Services

As of November 3, 2003, the Commission has approved over fifty ethnic category 2 digital pay & specialty services. Of these, ten (8 specialty & 2 pay) have been licensed and have been launched.

- All TV (Doragi Television Network) is a national specialty service directed to the Korean / Korean-speaking community. 90% of the programming is in Korean.

- ATN Alpha Punjabi is a national specialty service directed to the Punjabi speaking community. 100% of this service's programming is in Punjabi.

- ATN B4U Hindi (*Hindi Movie Channel*) is a national pay service devoted predominantly to Hindi movies. 90% of all programming is in Hindi.

[13] Fairchild Broadcasting Ltd. acquired the assets of Cathay – which was originally licensed in 1982.

- ATN Tamil Channel is a national specialty service directed to the Tamil speaking community. 100% of the programming broadcast is in Tamil.

- Festival Portuguese Television is a national specialty service directed to the Portuguese speaking community. 90% of its programming is in Portuguese.

- ITBC Television Canada (*NTI Tamil Service*) is a national pay service targeting the Tamil-speaking community. 100% of the programming is in Tamil.

- Odyssey 2 is a national specialty service directed to Greek-speaking audiences. 100% of the programming is in Greek.

- S.S.TV is a national specialty service dedicated to programming that focuses on Punjabi religious teachings; music, dance and video based on Punjabi culture; and news and information concerns in East Indian countries and Punjabi communities in Canada. Not less that 50%, 25% and 25% of all programming will be in Punjabi, Hindi and English languages respectively.

- Tamil Channel is a national specialty service directed to the Tamil-speaking community. 90% of the programming is in Tamil.

- Inner Peace Television Network (Salt & Light Television) is a national specialty service devoted to providing religious programming from the single point-of-view of the Roman Catholic faith. The service targets Italian, Spanish, Portuguese, Polish, Filipino, English and French-speaking audiences.

## I. Native Television Services

Section 3(1)(o) of the *Broadcasting Act* states that programming that reflects the aboriginal cultures of Canada should be provided within the Canadian broadcasting system as resources become available. The Commission's native broadcasting policy is set out in *Native Broadcasting Policy*, Public Notice CRTC 1990-89, 20 September 1990.

The primary role of aboriginal broadcasters is to address the specific cultural and linguistic needs of their audiences while creating an environment in which aboriginal artists and musicians, writers and producers, can develop and flourish. Native undertakings have a distinct role in fostering the development of aboriginal cultures and, where possible, the preservation of ancestral languages.

There are currently 10 originating and 95 rebroadcasting native television stations in operation. The Commission has also licensed two native television networks:

- Native Communications Inc. (NCI)
- Wawatay Native Communications

In addition, the Commission has licensed the national aboriginal television programming service, Aboriginal Peoples Television Network (APTN) and has given it mandatory carriage under an order issued pursuant to section 9(1)(h) of the *Broadcasting Act*.

## J. Religious Television Stations

The Commission's religious policy is set out in *Religious Broadcasting Policy*, Public Notice CRTC 1993-78, 3 June 1993. This policy governs over-the air, specialty and foreign religious services. Pursuant to this policy, a religious program is defined as one which deals with a religious theme, including programs that examine or expound religious practices and beliefs or present a religious ceremony, service or other similar event.

### 1. Over-the-air Religious Television Stations

There are 5 over-the-air religious television stations:

- The Miracle Channel (CJLT-TV) Lethbridge, Alberta
- Crossroads Television System (CITS-TV) Burlington, Ontario. Currently before the Commission[14], is an application to add rebroadcasting transmitters in the Ottawa and London markets.
- CFEG-TV, Abbotsford, British Columbia
- Trinity Television (CHNU-TV), Fraser Valley, British Columbia
- On August 8, 2002 the Commission approved an application by Trinity Television Inc. for a religious television station to serve the Winnipeg area. This station is expected to start broadcasting sometime in 2004.

### 2. Specialty Religious Services

- Vision TV is an English-language, national, multi-faith religious specialty programming service that launched in September 1988.
- Inner Peace Television Network (IPTN) is a national ethnic category 2 specialty television service devoted to providing Roman Catholic religious programming.

### 3. Foreign Religious Services

The only foreign religious service being carried by Canadian distributors at this time is the Eternal Word Television Network (EWTN), a single point of view Catholic religious service.

[14] Broadcasting Notice of Public Hearing CRTC 2003-3.

## K. The National Public Broadcaster

The Canadian Broadcasting Corporation / Société Radio-Canada (CBC/SRC) is Canada's national public broadcaster. As such, pursuant to section 3(1)(*l*) of the *Broadcasting Act*, it should provide radio and television services incorporating a wide range of programming that informs, enlightens and entertains.

### 1. Over-the-air Conventional Television Stations

CBC/SRC operates two national television conventional network services – one in English and the other in French. CBC/SRC also provides distinctive television service in Northern Canada, broadcasting in English, French and 8 aboriginal languages. Privately owned stations affiliated with the CBC/SRC help it reach Canadians.

Table 3.21: **CBC owned and affiliated English and French-language television stations**

| CBC / Radio-Canada's Over-the-air Stations and Rebroadcasters (Basic Networks) | Television Networks | | |
|---|---|---|---|
| | English | French | Total |
| CBC owned stations | 15 | 8 | 23 |
| CBC rebroadcasters | 456 | 174 | 630 |
| Private affiliated stations | 12 | 5 | 17 |
| Private affiliated rebroadcasters | 38 | 13 | 51 |
| Community owned stations | - | - | - |
| Community owned rebroadcasters | 145 | 10 | 155 |

Source: CBC / Radio-Canada Annual Report 2002-2003, as of March 31, 2003

### 2. Specialty Services

CBC/SRC owns and operates the following specialty services:

- CBC Newsworld is a national English-language news and information specialty service.
- Le Réseau de l'information (RDI) is a national French-language news and information specialty service.
- Country Canada is a national English-language category 1 digital specialty service.
- Galaxie is a national pay audio service.

CBC/SRC also has partial ownership interests in the following specialty services:

- ARTV (Télé des arts) is a national French-language arts specialty service (37%).
- The Canadian Documentary Channel is a national English-language category 1 digital specialty services that broadcasts documentary programming on a 24-hour basis (29%).

## L. House of Commons

- In November 2001[15], the Commission announced its intention to make the televised proceedings of the House of Commons more accessible to Canadians in the official language of their choice. In the view of the Commission, this programming is vital to the public interest in a democratic society and is an important part of the Canadian broadcasting system.

- With the exception of the smallest analog cable distributors, Canadian broadcast distributors are now required to distribute CPAC in both official languages throughout Canada.

- CPAC's licence was renewed on the 19 November 2002[16]. To ensure that its services are maintained and its programming is improved, CPAC receives $0.10 per month, per subscriber for the distribution of both the French and English services. This amount will increase to $0.11 in the third year. Of these amounts, subscribers will pay $0.07 for the first two years and $0.08 starting the third year. Distributors will pay the difference of $0.03 to fund CPAC's coverage of the proceedings of Parliament.

## M. Foreign Satellite Services Authorized in Canada

- There are currently 93 foreign services authorized for carriage in Canada by digital distributors broadcasting in 15 languages from 11 countries. 75 of these services are also authorized for carriage by analog broadcasting distribution undertakings.

- *Revised lists of eligible satellite services*, Broadcasting Public Notice CRTC 2003-43, 5 August 2003, lists eligible satellite services authorized for carriage in Canada. This list is updated from time to time as required.

- The following tables lists the foreign satellite services currently authorized for carriage in Canada.

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[15] The distribution of the proceedings of the House of Commons on CPAC, Public Notice CRTC 2001-115, 5 November 2001.

[16] Licence renewal for CPAC, and issuance of a distribution order, Broadcasting Decision CRTC 2002-377, 19 November 2002..

## Table 3.22: Foreign (Non- U.S.) Satellite Services Authorized in Canada

| Country of Origin/Foreign Service Name | Language | Authorized for | |
|---|---|---|---|
| | | Analogue & Digital | Digital Only |
| Australia | | | |
| Network TEN | English | | ✓ |
| France | | | |
| EuroNews | English/French | | ✓ |
| Eurosportsnews | English | | ✓ |
| KTO | French | | ✓ |
| Mezzo | French | | ✓ |
| Paris-Première | French | | ✓ |
| Planète | French | | ✓ |
| Radio-France outre-mer (RFO1) | French | ✓ | |
| Tropic | French | | ✓ |
| Germany | | | |
| Deutsche Welle | German | ✓ | |
| Great Britain | | | |
| Muslim Television Ahmadiyya | Arabic/Chinese/ French/Russian/Spanish/ Swahili/Urdu | ✓ | |
| Ireland | | | |
| TV3 Republic of Ireland | English | | ✓ |
| Japan | | | |
| TV Japan | Japanese | ✓ | |
| Netherlands | | | |
| BVN-TV | Dutch | | ✓ |
| New Zealand | | | |
| TV3 Television Network | English | | ✓ |
| TV4 Television Network | English | | ✓ |
| Poland | | | |
| TV Polonia | Polish | ✓ | |
| Yugoslavia | | | |
| RTV Palma | Hungarian/Serbian | | ✓ |

## Table 3.23: U.S. Foreign Satellite Services Authorized in Canada

| Country of Origin/Foreign Service Name | Language** | Authorized for: Analogue & Digital | Authorized for: Digital Only |
|---|---|---|---|
| United States | | | |
| ABC -8 Independent Stations* | | ✓ | |
| CBS -9 Independent Stations* | | ✓ | |
| FOX -7 Independent Stations* | | ✓ | |
| NBC -8 Independent Stations* | | ✓ | |
| PBS -7 Independent Stations* | | ✓ | |
| 8 Superstations* | | ✓ | |
| WUAB-TV, Cleveland (Independent) | | ✓ | |
| American Movie Classics | | ✓ | |
| ART America | | ✓ | |
| Arts and Entertainment Network (A&E), The | | ✓ | |
| BBC World | | ✓ | |
| Black Entertainment Television (BET) | | ✓ | |
| Cable News Network (CNN) | | ✓ | |
| Cable Satellite Public Affairs Network (C-Span) | | ✓ | |
| Comedy Central | | ✓ | |
| Consumer News and Business Channel (CNBC) | | ✓ | |
| Court TV | | ✓ | |
| CNN Headline news (CNN-2) | | ✓ | |
| Discovery Wings | | | ✓ |
| Eternal Word Television Network (EWTN) | | | ✓ |
| Filipino Channel, The | Tagalog | ✓ | |
| Game Show Network | | ✓ | |
| Golf Channel, The | | ✓ | |
| Learning Channel, The | | ✓ | |
| Lifetime Television | | ✓ | |
| Nashville Network (TNN), The | | ✓ | |
| Oxygen Network | | | ✓ |
| Playboy TV | | ✓ | |
| Speed Channel | | ✓ | |
| The Silent Network | | ✓ | |
| The Weather Channel (TWC) | | ✓ | |
| Turner Classic Movies | | ✓ | |
| TV-land | | | ✓ |
| WMNB-TV: Russian-American Broadcasting Company | Russian | | ✓ |

* Refer to Public Notice 2003-43 (Appendix A) for listing of each station.
** Broadcast language is English unless indicated otherwise.

## N. Tangible Benefits Resulting from the Transfers of Ownership or Control of Television Broadcasting Undertakings

- When considering applications to transfer ownership or control of a television undertaking, the Commission generally expects significant benefits to be offered to the community in question or to the Canadian broadcasting system as a whole. Since competing applications are not solicited, the onus is on the applicant to demonstrate that the application filed is the best possible proposal under the circumstances and that the benefits proposed in the application are commensurate with the size and nature of the transaction.

- The principal components of the Commission's policies with respect to benefits resulting from the transfer of ownership or control are set out in *Application of the Benefits Test at the Time of Transfers of Ownership or Control of Broadcasting Undertakings*, Public Notice CRTC 1993-68, 26 May 1993. In *Building on Success – A Policy Framework for Canadian Television*, Public Notice CRTC 1999-97, 11 June 1999 the Commission amended its tangible benefits policy with respect to transfers of ownership or control involving television broadcasting undertakings. This amendment requires applicants to make commitments to clear and unequivocal tangible benefits representing financial contributions of at least 10% of the value of the transaction.

- The following table shows the number of English-language and French-language transfers of ownership or control of television broadcasting undertakings from June 11, 1999 to July 31, 2003.

Table 3.24: **Value of Television Transactions and Corresponding Transfer Benefits for the Period June 11, 1999 to July 31, 2003**

| | English-Language Services | | | French-Language Services | | | |
|---|---|---|---|---|---|---|---|
| ($000,000) | # of Trans. | Value of the Trans-action* | Benefits | # of Trans. | Value of the Trans-actions* | Benefits | Total Benefits |
| June 11/99 – July 31/01 | 9 | 3,582 | 374.2 | 3 | 556 | 55.7 | 429.9 |
| Aug 1/01 – July 31/02 | 10 | 749 | 78.2 | 1 | 74 | 7.4 | 85.6 |
| Aug 1/02 – July 31/03 | 2 | 1 | 0.4 | 1 | 1 | 0.0 | 0.4 |
| Total | 21 | 4,333 | 452.8 | 5 | 631 | 63.0 | 515.9 |

* Value determined by the Commission for the purpose of calculating transfer benefits.

## A. Promoting Effective Competition

- The Commission has put in place policies promoting competition among Broadcasting Distribution Undertakings (BDUs) in *New Regulatory framework for Broadcasting Distribution Undertakings*, Public Notice CRTC 1997-25, 11 March 1997, (PN 1997-25), *Proposed Broadcasting Distribution Regulations*, Public Notice CRTC 1997-84, 2 July 1997, and *Broadcasting Distribution Regulations*, Public Notice CRTC 1997-150, 22 December 1997. The *Broadcasting Distribution Regulations* (the BDU Regulations) came into effect 1 January 1998. Since that time the BDU industry has been experiencing a fundamental shift towards increased competition.

- The most recent changes to promote effective competition include the issuance of *Exemption order respecting cable systems having fewer than 2,000 subscribers*, Public Notice CRTC 2001-121, 7 December 2001, and *Exemption order respecting radiocommunication distribution undertakings* (RDUs), Public Notice CRTC 2002-45, 12 August 2002 (PN 2002-45).

**All Subscribers across Canada**

| Distribution Type | Number of Basic Subscribers and Market Share (%) | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | 1999 | | 2000 | | 2001 | | 2002 | |
| | Basic Subscribers | Market Share (%) | Basic Subscribers | Market Share (%) | Basic Subscribers | Market Share (%) | Basic Subscribers | Market Share (%) |
| Class 1 | 6,906,606 | 80.5 | 6,943,468 | 77.4 | 6,837,679 | 72.8 | 6,701,527 | 72.4 |
| Class 2 | 383,417 | 4.5 | 366,396 | 4.1 | 340,920 | 3.6 | 355,196 | 3.8 |
| Class 3 | 735,822 | 8.6 | 696,317 | 7.8 | 606,643 | 6.5 | 188,171 | 2.0 |
| Sub-total Cable | 8,025,845 | 93.5 | 8,006,181 | 89.2 | 7,785,242 | 82.9 | 7,244,894 | 78.2 |
| MDS | 31,551 | 0.4 | 83,913 | 0.9 | 86,773 | 0.9 | 52,021 | 0.6 |
| DTH | 519,376 | 6.1 | 880,092 | 9.8 | 1,519,620 | 16.2 | 1,959,677 | 21.2 |
| STV | 3,882 | 0.0 | 2,678 | 0.0 | 1,344 | 0.0 | 1,886 | 0.0 |
| Total | 8,580,654 | 100 | 8,972,864 | 100 | 9,392,979 | 100 | 9,258,478 | 100 |

- The decrease in Class 3 basic subscribers in 2002 is primarily related to the exemption orders noted above (Public Notices CRTC 2001-121 and CRTC 2002-45). The affected systems are no longer required to file annual returns with the Commission.

- Class 1 cable BDUs continue to maintain the bulk of subscriber market share. Competition from direct-to-home (DTH) and Multipoint Distribution Systems (MDS) has reduced the overall share of Class 1 cable BDUs from 80.5% in 1999 to 72.4% in 2002. The data in Table 4.1 is based on the fiscal year ended August 31 of each of the years.

- DTH subscribership increased by nearly 440,000 in 2002. This represents an increase of 29% in 2002 for a total market share of 21.2%. DTH growth is coming from all existing cable classes and new subscribers in areas that do not have access to cable service.

- STV or subscription television undertakings provide over-the-air television service to small (rural or remote) communities in underserved areas. These undertakings broadcast signals in an encoded or scrambled mode by means of low-power (about 20 watts) transmitters. In PN 2002-45, the Commission issued an exemption order affecting most of these undertakings.

- The following table provides a breakdown of cable and STV subscribers by province. MDS and DTH operators do not report a provincial breakdown to the Commission.

**Cable Subscribers by Regions - Provinces**

| | Number of Basic Subscribers and Market Share (%) | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | 1999 | | 2000 | | 2001 | | 2002 | |
| | Basic Subscribers | Market Share (%) | Basic Subscribers | Market Share (%) | Basic Subscribers | Market Share (%) | Basic Subscribers | Market Share (%) |
| Atlantic | 627,178 | 7.8 | 648,518 | 8.1 | 573,586 | 7.4 | 488,720 | 6.7 |
| Nfld. & P.E.I. | 176,899 | 2.2 | 213,532 | 2.7 | 160,653 | 2.1 | 104,893 | 1.4 |
| N.B. & N.S. | 450,279 | 5.6 | 434,986 | 5.4 | 412,933 | 5.3 | 383,827 | 5.3 |
| Quebec | 1,976,890 | 24.6 | 1,960,961 | 24.5 | 1,922,532 | 24.7 | 1,754,320 | 24.2 |
| Ontario | 3,011,333 | 37.5 | 3,002,009 | 37.5 | 2,967,083 | 38.1 | 2,848,479 | 39.3 |
| Prairies | 1,225,212 | 15.3 | 1,212,550 | 15.1 | 1,150,235 | 14.8 | 1,032,183 | 14.2 |
| Manitoba | 278,881 | 3.5 | 276,063 | 3.4 | 243,581 | 3.1 | 237,555 | 3.3 |
| Saskatchewan | 210,949 | 2.6 | 206,196 | 2.6 | 191,796 | 2.5 | 151,217 | 2.1 |
| Alberta | 735,382 | 9.2 | 730,291 | 9.1 | 714,858 | 9.2 | 643,411 | 8.9 |
| B.C. & Territories | 1,182,689 | 14.7 | 1,182,643 | 14.8 | 1,173,150 | 15.1 | 1,123,078 | 15.5 |
| B.C. | 1,164,964 | 14.5 | 1,168,861 | 14.6 | 1,162,725 | 14.9 | 1,113,393 | 15.4 |
| Total | 8,023,302 | 100 | 8,006,681 | 100 | 7,786,586 | 100 | 7,246,780 | 100 |

Source: CRTC Financial Database

- With the introduction of the BDU Regulations in 1998, the Commission introduced a process allowing for the deregulation of the basic rates of Class 1 distribution systems. New entrants are not rate regulated, nor are Class 2 and Class 3 systems.

- Class 1 systems can qualify for rate deregulation if they meet a two-pronged test:
  - if the basic service of one or more licenced competitors is accessible to 30% of households in the incumbent's service area (which is currently deemed to exist through DTH services) and
  - if the cable incumbent can demonstrate that it lost 5% or more of its basic subscribers since the competition entered its service area.

- By the end of November 2003, about 114 Class 1 systems were rate deregulated. The total number of subscribers in these rate-deregulated systems is about 4.7 million subscribers (or 70% of all Class 1 subscribers).

- The following table presents the trends in the basic service rate in a sample of rate-deregulated systems. Cable distributors who have adjusted their basic service rate indicate that they have taken into account the rates of adjacent systems and the minimum required spending level of DTH competitors.

Basic Service Rate of Deregulated Systems

| Distributor | System | Date of deregulation | Before deregulation | After deregulation |
|---|---|---|---|---|
| | Vancouver | August 23, 2002 | $19.26 | $22.00 |
| | Winnipeg-East | August 13, 2002 | $15.75 | $21.00 |
| | Calgary | July 15, 2002 | $18.55 | $22.00 |
| | Toronto Peel | August 23, 2002 | $21.29 | $22.99 |
| | Ottawa West | February 1, 2002 | $16.86 | $21.99 |
| | Saint John, N.B. | August 1, 2002 | $18.80 | $21.99 |
| | Burlington/Oakville | May 22,2002 | $18.39 | $22.00 |
| | Windsor | May 25, 2002 | $23.75 | $23.50 |
| | Trois-Rivières | May 6, 2002 | $16.72 | $19.22 |
| | Cap-de-la-Madeleine | May 1, 2002 | $19.42 | $19.42 |
| | Victoriaville | May 1, 2002 | $18.98 | $18.99 |

Sources: CRTC's financial database. Rates after deregulation are from distributor websites or obtained from their customer services as at November 3, 2003.

## B. Ensuring Contributions to Canadian Programming and Local Expression

- The BDU Regulations require that all Class 1 and Class 2 terrestrial distribution undertakings, as well as all DTH and MDS distribution undertakings, contribute a minimum of 5% of gross annual revenues derived from broadcasting activities to the creation and presentation of Canadian programming. Contribution to programming can take the form of a contribution to the Canadian Television Fund (CTF)[1] or to other national independent funds, as well as contribution to the financing of a community channel or other local expression.

[1] The CTF is the successor to the Canadian Television and Cable Production Fund.

## Contributions to Programming Funds

| Class and Subscriber Level | Contributions to Programming Funds ($ 000s) | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | 1999 | | 2000 | | 2001 | | 2002 | |
| | CTF | Others | CTF | Others | CTF | Others | CTF | Others |
| Class 1 > 20k | 60,786 | 6,463 | 66,166 | 7,715 | 70,412 | 7,057 | 70,177 | 7,355 |
| Class 1 < 20k | 4,562 | 486 | 4,563 | 507 | 4,510 | 500 | 4,303 | 571 |
| Class 2 | 133 | 0 | 151 | 5 | 102 | 0 | 58 | 6 |
| MDS | 375 | 38 | 1,172 | 36 | 1,351 | 28 | 1,829 | 0 |
| DTH | 5,784 | 598 | 14,127 | 3,410 | 24,926 | 6,231 | 27,557 | 6,889 |
| SRDU | | | 3 | 1 | 725 | 3 | 1,421 | 13 |
| Total | 71,640 | 7,585 | 86,182 | 11,674 | 102,026 | 13,819 | 105,345 | 14,834 |

Source: CRTC Financial Database

- The BDU Regulations require that a minimum of 80% of the required contribution must be directed to the CTF and up to 20% to one or more independently-administered production funds, other than the CTF. The Commission's *Contributions to Canadian Programming by Broadcasting distribution Undertakings*, Public Notice 1997-98, 22 July 1997 sets out the criteria to be met by such independently administered fund.

## Community Channel Expenses

| Class and Subscriber Level | Total Community Channel Expenses ($000) | | | |
|---|---|---|---|---|
| | 1999 | 2000 | 2001 | 2002 |
| Class 1 > 20k | 54,879 | 58,540 | 53,870 | 53,299 |
| Class 1 < 20k | 12,579 | 13,169 | 12,826 | 18,236 |
| Class 2 | 6,795 | 8,021 | 8,004 | 8,872 |
| Total | 74,253 | 79,730 | 74,700 | 80,407 |

Source: CRTC Financial Database

- PN 1997-25 introduced flexibility for cable licensees in regard to the manner in which they contribute to Canadian programming and local expression, formerly required through investment in a community channel.

- In *Proposed policy framework for community-based media*, Public Notice CRTC 2001-129, 21 December 2001, the Commission announced its intention to amend the BDU Regulations to permit Class 1 systems with fewer than 20,000 subscribers to allocate all of their Canadian programming funding contributions to local expression. This proposal has since been confirmed in *Policy framework for community-based media*, Public Notice CRTC 2002-61, 10 October 2002 and explains the large increase in

community channel expenses for Class 1 systems with less than 20,000 subscribers in 2002.

### Cable Systems Contributing to Community Channels

| Class and Subscriber Level | Number of Cable Systems Contributing to Community Channels | | | |
|---|---|---|---|---|
| | 1999 | 2000 | 2001 | 2002 |
| Class 1 > 20k | 68 | 72 | 72 | 70 |
| Class 1 < 20k | 71 | 74 | 73 | 74 |
| Class 2 | 101 | 99 | 99 | 96 |

Source: CRTC Financial Database

- The BDU Regulations no longer require licensees to operate a community channel. Apart from its benefits to the public through local reflection, the community channel provides cable operators with a highly effective medium to establish a local presence and to promote a positive corporate image for themselves. There has been no significant change in the number of systems operating a community channel since the introduction of the BDU Regulations.

- The table above outlines the number of class 1 and class 2 cable undertakings that have reported community channel expenses between 1999 and 2002. The figures do not necessarily represent the actual number of community channels in operation, as some channels are funded by more than one undertaking.

## C. Affordability of Basic and Non-Basic Service Rates

- The following table presents the average basic service monthly rates for the last four years for cable.

### Average Cable Basic Service Monthly Rates ($)

| Distribution Type | 1999 | 2000 | 2001 | 2002 |
|---|---|---|---|---|
| Class 1 | 19.01 | 19.50 | 20.16 | 20.05 |
| Class 2 | 21.64 | 21.78 | 22.17 | 23.04 |
| Class 3 | 24.01 | 24.23 | 25.53 | 23.35 |
| STV | 25.16 | 25.02 | 24.61 | 23.18 |
| Average | 19.60 | 20.00 | 20.62 | 20.22 |

Source: CRTC Financial Database

- The average rates are calculated from the rates noted in the annual returns provided by the distributors and are weighted to account for subscriber numbers.

- In 2002, only class 2 cable undertakings registered an increase in the average basic service monthly rate. The rates for all other classes remained stable or decreased in 2002.

Cable – Average Class 1 Basic Service Monthly Rates by Province

| Province | 1999 | 2000 | 2001 | 2002 |
|---|---|---|---|---|
| Newfoundland | 19.74 | 19.82 | 19.94 | 20.16 |
| P.E.I. | 20.29 | 20.72 | 20.72 | 20.72 |
| N.S. | 14.60 | 16.54 | 16.55 | 16.53 |
| N.B. | 19.23 | 19.10 | 19.19 | 20.28 |
| Quebec | 21.32 | 21.64 | 21.61 | 21.74 |
| Ontario | 18.95 | 19.48 | 20.98 | 20.58 |
| Manitoba | 14.62 | 14.92 | 15.15 | 15.34 |
| Saskatchewan | 17.89 | 18.39 | 18.89 | 18.88 |
| Alberta | 17.57 | 18.54 | 18.72 | 18.73 |
| B.C. | 17.98 | 18.38 | 18.49 | 18.57 |

Source: CRTC Financial Database

## D. Ensuring a Financially Strong Sector

Total Revenues of Distributors

| | Total Revenues ($ 000s) | | | |
|---|---|---|---|---|
| Distribution Type | 1999 | 2000 | 2001 | 2002 |
| Cable Class 1 | 2,868,944 | 3,151,565 | 3,415,318 | 3,709,336 |
| Cable Class 2 | 152,981 | 152,384 | 151,041 | 163,640 |
| Cable Class 3 | 295,122 | 291,765 | 262,437 | 94,172 |
| MDS | 11,314 | 27,823 | 45,425 | 30,790 |
| DTH | 154,270 | 358,862 | 632,901 | 912,274 |
| STV | 1,574 | 1,067 | 490 | 142 |
| Total | 3,484,205 | 3,983,466 | 4,507,612 | 4,910,354 |
| Class 1 Breakdown Between Basic and Non-Basic | | | | |
| Basic | 1,676,762 | 1,708,303 | 1,686,389 | 1,664,147 |
| Non-Basic | 1,192,181 | 1,443,262 | 1,728,929 | 2,045,189 |

Source: CRTC Financial Database

- The BDU industry as a whole has been enjoying strong growth. In 2002 total revenues increased by nearly $403 million.

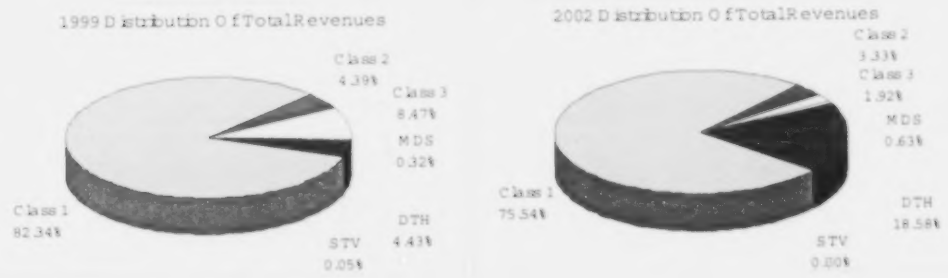
- Class 1 BDUs realized a revenue increase of about $294 million in 2002, or of almost 8,6% over 2001. The growth in Class 1 revenues since 1999 has been almost entirely related to non-basic services. Since 1999, non-basic revenues have grown by nearly 71.6%, as compared to slight decrease of 0.8% for basic revenues. Non-basic revenues contributed 55.1% of total Class 1 revenues in 2002.

- The significant revenue decline for Class 3 is primarily due to the reporting exemption for a large portion of Class 3 undertakings.

- MDS providers reported a revenues decline of about $14.6 million in 2002, which translates to a revenue decrease of approximately 32% over 2001.

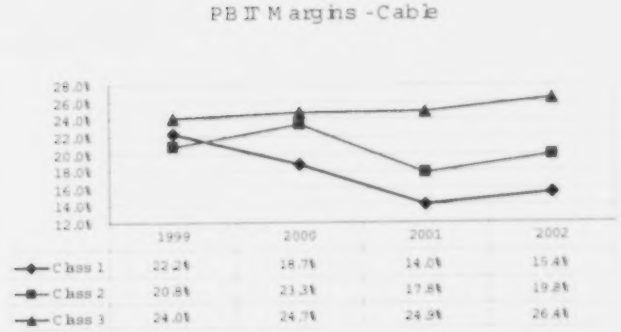
- DTH providers reported increased revenues of almost 44% in 2002.
- The charts below illustrate the changes in the share of total BDU revenues from 1999 to 2002.

### Distribution of Total Revenues




Source: CRTC Financial Database

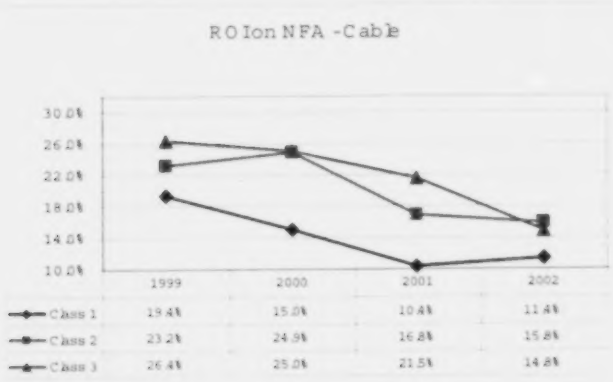
### Profit Before Interest and Taxes Margins




Source: CRTC Financial Database

- The chart above shows the PBIT margins for Class 1, 2 and 3 systems based on the reported results from all services (basic and non-basic).
- The PBIT margin for Class 3 cable systems remained within the 20-26% range between 1999-2002. The PBIT margin for Classes 1 and 2 cable systems decreased significantly in 2001. The decreases were caused by higher affiliation payments, higher technical expenses, and increased depreciation expenses due to significant fixed asset investment.

### Return on Investment on Average Net Fixed Assets




Source: CRTC Financial Database

## E. Concentration / Vertical Integration

### Top 6 Cable Distributors by Total Basic Subscribers

| Corporations: by rank | 2001 Subscribers | 2001 National Share | 2002 Subscribers | 2002 National Share |
|---|---|---|---|---|
| Rogers Cable Inc. | 2,266,703 | 29% | 2,252,160 | 31% |
| Shaw Communications Inc. | 2,070,022 | 27% | 1,988,445 | 28% |
| Vidéotron Ltée. (1) | 1,528,560 | 20% | 1,439,860 | 20% |
| Cogeco Cable Inc. | 878,766 | 11% | 821,105 | 11% |
| Bragg Communications Incorporated | 233,154 | 3% | 216,718 | 3% |
| Persona Communications Inc. | 231,900 | 3% | 85,591 | 1% |

Sources: CRTC Financial Database and Distributor information
Note: Includes both analog and digital subscribers. Excludes subscribers to exempted systems.
(1) Quebecor Media Inc. acquired control of Vidéotron Ltée in 2002.

- The decrease in subscribers for each of the largest cable distributors reflects the competitive operating environment.

- In *Ownership of analog discretionary services by cable undertakings*, Public Notice CRTC 2001-66, 7 June 2001, the Commission amended its policy with respect to cable ownership of analog pay and specialty programming services. The Commission decided, as a matter of broadcasting policy, to allow cable companies or their affiliates to purchase controlling interests in Canadian analog pay and specialty services.

## Pay & Specialty Services Owned by Top Five Distributors or their Affiliates

| Service Type | Service | # of Subscribers (Year 2002) (Note 2) | % of direct and indirect ownership interest |
|---|---|---|---|
| **Rogers Communications Inc.** | | | |
| Specialty | Rogers Sportsnet | 7,135,431 | 80.00% |
| | Outdoor Life Network (OLN) | 4,708,628 | 33.33% |
| PPV | Viewer's Choice Canada DTH PPV | 284,340 | 24.95% |
| | Viewer's Choice Canada PPV | 656,439 | 24.95% |
| | Canal Indigo DTH PPV | 149,665 | 9.98% |
| | Canal Indigo PPV | 343,468 | 9.98% |
| | Sports / Specials DTH PPV | N/A | 80.00% |
| | Sports / Specials PPV | N/A | 80.00% |
| Digital Category 1 | Mystery | 474,197 | 9.90% |
| | Biography Channel, The | 486,950 | 40.00% |
| | TechTV | 467,601 | 33.33% |
| | Canal Mystère (13ième Rue) (Note 3) | N/A | 9.90% |
| Digital Category 2 | MSNBC Canada | 220,898 | 33.33% |
| **Shaw Communications Inc. (Note 1)** | | | |
| PPV | Shaw Pay-Per-View – PPV | 427,403 | 100.00% |
| | Star Choice DTH PPV | 272,130 | 100.00% |
| | Videon Cablesystems PPV | N/A | 100.00% |
| Digital Category 1 | Biography Channel, The | 486,950 | 40.00% |
| | TechTV | 467,601 | 33.33% |
| Digital Category 2 | MSNBC Canada | 220,898 | 33.33% |
| **Corus Entertainment Inc (Note 1)** | | | |
| Specialty | CMT (Country Music Television) | 7,975,765 | 90.00% |
| | Telelatino (Ethnic Service) | 3,249,960 | 50.50% |
| | Teletoon / Télétoon | 5,871,377 | 40.00% |
| | Treehouse TV | 5,258,862 | 100.00% |
| | W (Women's Television Network) | 6,451,396 | 100.00% |
| | YTV | 8,202,891 | 100.00% |
| | Food Network Canada | 3,908,100 | 22.59% |
| Pay & VOD | SuperChannel (Movie Central) | 589,436 | 100.00% |
| | MovieMax! | 399,462 | 100.00% |
| | MAXTRAX (pay audio) | N/A | 100.00% |
| | New VOD | N/A | 100.00% |
| Digital Category 1 | Canadian Documentary Channel, The | 464,171 | 53.00% |
| Digital Category 2 | Scream | N/A | 51.00% |
| | Discovery Kids | 438,500 | 80.00% |
| | Edge TV (Note 2) | 255,056 | 100.00% |
| **Quebecor Inc.**<br>*(Owns 54.72% of Quebecor Media Inc. (QMI))*<br>*(QMI owns 99.9% of Groupe TVA Inc.)* | | | |
| Specialty | Pulse 24 (CP24) | 2,391,837 | 16.36% |
| | LCN (Le Canal Nouvelles) | 1,593,476 | 54.72% |
| | Canal Évasion | 969,708 | 5.47% |
| PPV | Canal Indigo DTH PPV | 149,665 | 10.94% |
| | Canal Indigo PPV | 343,468 | 10.94% |

| Service Type | Service | # of Subscribers (Year 2001) (Note 2) | % of direct and indirect ownership interest |
|---|---|---|---|
| **Quebecor Inc.** (continued) | | | |
| Digital Category 1 | Mystery | 474,197 | 24.65% |
| | MenTV (M) | 498,719 | 27.91% |
| | Canal Mystère (13ième Rue) (Note 3) | N/A | 24.65% |
| | LCN Affaires (Note 3) | N/A | 27.41% |
| | Télé Ha! Ha! (Note 3) | N/A | 32.94% |
| **Cogeco Inc.** *(Owns 60% of TQS Inc.)* | | | |
| PPV & VOD | Canal Indigo DTH PPV | 149,665 | 32.00% |
| | Canal Indigo PPV | 343,468 | 32.00% |
| | VOD | N/A | 100.00% |
| Digital Category 1 | i Channel | 460,500 | 37.14% |
| Digital Category 2 | BPM:TV | N/A | 37.14% |
| **BCE Inc.** *(Owns 68.5% of Bell Globemedia Inc.)* | | | |
| Specialty | Newsnet | 6,959,267 | 68.50% |
| | Discovery Channel, The | 7,048,127 | 37.58% |
| | Outdoor Life Network (OLN) | 4,708,628 | 22.83% |
| | RDS – Réseau des sports | 2,482,568 | 46.98% |
| | Comedy Network, The | 4,591,055 | 68.50% |
| | TSN (Sports Network, The) | 8,012,076 | 46.98% |
| | ROBTV | 4,242,984 | 68.50% |
| | Talk TV | 4,107,779 | 68.50% |
| | ARTV | 1,465,905 | 10.96% |
| PPV | Bell ExpressVu – DTH PPV | N/A | 100.00% |
| | Bell ExpressVu – PPV | N/A | 100.00% |
| | Viewer's Choice Canada DTH PPV | 284,340 | 13.99% |
| | Viewer's Choice Canada PPV | 656,439 | 13.99% |
| | Canal Indigo DTH PPV | 149,665 | 5.60% |
| | Canal Indigo PPV | 343,468 | 5.60% |
| Digital Category 1 | CTV Travel | 350,808 | 68.50% |
| | WTSN (Note 2) | 317,866 | 56.08% |
| | RDS Info-Sports (Réseau Info Sports) (Note 3) | N/A | 80.00% |
| Digital Category 2 | Discovery Civilization Channel | 417,638 | 31.47% |
| | Animal Planet | 625,327 | 25.37% |
| | NHL Network, The | 328,930 | 10.06% |
| | ESPN Classic Canada | N/A | 46.98% |
| | Raptors NBA-TV | N/A | 10.58% |
| | Leaf TV | N/A | 10.58% |

Source: CRTC Acquisition & Ownership Policy Division, Industry Analysis Division; CRTC Financial Database and licensee information.

Notes:

1. Shaw Communications Inc. is affiliated with Corus Entertainment Inc. as JR Shaw has voting control of both companies.
2. Edge TV ceased operations in July 2003; WTSN ceased operations in September 2003.
3. These Category 1 digital services are still unlaunched. The ownership percentage has not been officially confirmed.

## F. Promoting Digital Technology

### Current Estimates

#### Number of Digital Subscribers

**June 2002**

| Distribution Type | Number of Digital Subscribers and Share (%) | | | | | |
|---|---|---|---|---|---|---|
| | English | | French | | Total | |
| Digital Cable | 989,305 | 42% | 166,306 | 24% | 1,155,611 | 38% |
| DTH | 1,339,418 | 56% | 485,579 | 72% | 1,824,997 | 60% |
| MDS | 42,413 | 2% | 27,497 | 4% | 69,910 | 2% |
| Total | 2,371,136 | 100% | 679,382 | 100% | 3,050,518 | 100% |

Source: Mediastats

**June 2003**

| Distribution Type | Number of Digital Subscribers and Share (%) | | | | | |
|---|---|---|---|---|---|---|
| | English | | French | | Total | |
| Digital Cable | 1,295,564 | 46% | 254,871 | 32% | 1,550,435 | 43% |
| DTH | 1,458,589 | 52% | 528,945 | 66% | 1,987,534 | 55% |
| MDS | 35,536 | 2% | 21,186 | 2% | 56,722 | 2% |
| Total | 2,789,689 | 100% | 805,002 | 100% | 3,594,691 | 100% |

Source: Mediastats

- DTH providers are currently leading the way among digital service providers, with an estimated total market share of 55% of subscribers. Digital cable providers have a 43% share, and MDS providers have 2%.

- According to information from the CCTA's 2001-2002 Annual Report, digital cable services are currently available to approximately 95% of cable TV subscribers.

## G. Distribution of Specialty Services in the Official Language of the Minority

- On 1 September 2001, cable systems were required to fulfill their obligations stipulated in the Commission's publications *Achieving a better balance: Report on French-language broadcasting services in a minority environment*, Public Notice CRTC 2001-25, 12 February 2001 (PN 2001-25), and *A policy to increase the availability*

*to cable subscribers of specialty services in the minority official language*, Public Notice CRTC 2001-26, 12 February 2001, concerning the availability of programming services in the official language of the minority.

- PN 2001-25 requires that all Class 1 and Class 2 cable distributors using high-capacity digital technology (i.e. 750 MHz nominal capacity or more) offer all Canadian English- and French-language specialty services and at least one pay television service in each language, except Category 2 digital specialty services and pay-per-view television services.

- All Class 1 and Class 2 cable distributors using lower-capacity digital technology (less than 750 MHz nominal capacity) are required to offer at least one Canadian specialty service in the official language of the minority in either analog or digital mode for every 10 (Canadian or non-Canadian) programming services distributed in the official language of the majority.

- All Class 3 cable distributors using medium-capacity or high-capacity digital technology (550 MHz or more) are required to distribute at least one Canadian specialty service in the official language of the minority for every 10 (Canadian or non-Canadian) programming services distributed in the official language of the majority. Furthermore, a Class 3 system which is fully interconnected to another system will be required to provide the same number of Canadian services in the official language of the minority as the system to which it is interconnected, unless it does not have the technical capacity to do so in spite of the interconnection.

- The table below provides some statistics on cable systems with a nominal bandwidth of 750 MHz or higher and cable systems with less than 750 MHz nominal capacity.

**Number of Systems and Subscribers**

| | English Markets | | French Markets | |
|---|---|---|---|---|
| Distribution Type | Number of Systems | Number of Subscribers | Number of Systems | Number of Subscribers |
| **2003** | | | | |
| **Class 1 >20,000 Subscribers:** | | | | |
| Nominal Bandwidth of 750 MHz or higher | 11 | 1,144,689 | 4 | 777,049 |
| Nominal Bandwidth of less than 750 MHz | 47 | 3,351,198 | 5 | 256,516 |
| **2002** | | | | |
| **Class 1 <20,000 Subscribers:** | | | | |
| Nominal Bandwidth of 750 MHz or higher | 8 | 1,085,229 | 4 | 855,211 |
| Nominal Bandwidth of less than 750 MHz | 49 | 3,428,424 | 30 | 289,427 |

Source: CRTC Cable Capacity Reports of 31/03/2003

## H. Program Signal Theft

Theft or "piracy" of broadcast signals is an illegal activity. It can take a number of forms, ranging from individuals tampering with locked service boxes to make unauthorised

cable television service connections, to highly organised groups selling access codes and equipment that enable their customers to illegally decode encrypted satellite signals.

Although perceived by many as a "victimless crime", signal theft deprives the entire broadcasting system, including cable and satellite distributors, television broadcasters, producers, artists, technicians and program rights holders, of hundreds of millions of dollars of revenues annually.

The loss of these revenues weakens the ability of BDU's to support their existing infrastructure and to invest in new and innovative technologies. It lessens the ability of broadcasters to acquire and air Canadian television programming. It reduces the funding necessary to support the production of Canadian programs. It results in the loss of jobs in the Canadian broadcasting sector, affecting artists, producers, engineers and technicians. Ultimately, the effects of signal theft are felt by legitimate subscribers, who are required to pay higher prices for services from distributors and are left with a more limited range of programming.

In response to these threats, the Canadian broadcasting industry has responded with a number of initiatives to curb signal theft.

For example, the Coalition Against Satellite Signal Theft (CASST) developed a national, bilingual, multi-media communications campaign to inform Canadians that the unauthorized reception of signals was illegal. This campaign, which used the slogan "Theft is Theft: Stealing satellite signals is no different" ran between November 2002 and February 2003. Over $8 million in airtime was devoted to this campaign by conventional radio and television broadcasters, specialty services and distributors through local ad avails and cable community channels.

The Anti-Piracy Operation of the Canadian Motion Picture Distributors Association has issued warnings to operators of web sites promoting illegal satellite receiving and decoding equipment. This activity has resulted in many sites being shut down.

Since the Supreme Court of Canada's April 2002 decision Bell ExpressVu Limited Partnership v. Rex, (2002) 25.C.R.559, raids of illegal satellite dealers and seizures of equipment used to decode satellite signals have been carried out in most regions of the country with dozens of dealers having been charged. Members of CASST, both individually and collectively, have worked extensively with the Royal Canadian Mounted Police (RCMP) and local police forces as well as federal government departments to encourage enforcement of the *Radiocommunication Act*. Canadian broadcasting companies and industry groups, acting both individually and collectively, have taken a number of civil actions against satellite dealers.

In early September, the Minister of Industry and the Minister of Canadian Heritage announced the Government of Canada's intention to propose amendments to the *Radiocommunication Act*. These proposed amendments are intended to control the importation of illegal satellite equipment, increase the maximum penalties in order to deter theft, and strengthen the ability for parties to take civil action against those who sell illegal equipment and services.

While not responsible for the enforcement of laws against signal piracy, the Commission is mandated by the *Broadcasting Act* to regulate and supervise the Canadian broadcasting system. Consistent with its supervisory role, in late 2002 the Chairman of the Commission initiated a process of informal consultation with key industry players in order to encourage them to develop and commit to implementing specific measures to combat signal piracy. On March 20th, 2003, and again on August 19th, 2003, the Chairman met with the chief executive officers of BCE Inc., Bell ExpressVu L.P., Star Choice Communications, Rogers Communications Inc, Quebecor Inc., Shaw Communications Inc., Cogeco Inc., CHUM Limited, Astral Media Inc., the Canadian Cable Television Association (CCTA) and the Canadian Association of Broadcasters (CAB).

These meetings provided a forum for the parties to exchange views and information about the measures that each company or organisation would undertake in order to control the theft of its signals. In doing so, each of the participants committed to specific measures their respective companies will undertake to address the problem of signal theft. While the specifics of the commitments are being treated as confidential by both the parties and the Commission, some general examples of the efforts that are being undertaken by the various industry players are provided below:

- The cable industry has undertaken to perform regular audits of its systems in order to detect and follow-up on incidences of theft. The largest cable operators, Rogers, Shaw, Cogeco and Vidéotron, have made substantial progress in replacing analog set-top boxes with digital set-top boxes which are, comparatively, more secure. Cable operators are also committed to performing subscriber disconnections on a timely basis for subscriptions that are not being renewed.

- ExpressVu has committed to adopting an inventory control system that will track receiver shipments throughout its distribution chain. This control system also includes procedures to identify the purchasers of ExpressVu equipment at the point of sale. ExpressVu is also intensifying its program of electronic countermeasures, whereby receivers with illegal cards can be disabled through signals added to ExpressVu's satellite broadcasts. ExpressVu has also undertaken to enhance the security in its new receivers in order to provide increased protection against signal theft.

- Star Choice has undertaken to limit customers to no more than 6 receivers per account. This follows a recent audit of subscribers that have multiple receivers.

- The industry associations, CAB and CCTA, are committed to remain actively involved in CASST's public affairs activities designed to educate the public on the problems of signal theft. Further, the CAB and the CCTA, along with individual companies, have undertaken to continue to vigorously pursue those businesses that sell illegal satellite reception equipment and services.

## V. Social Issues

The Commission's current social policy objectives can be described under three general headings:

A. Programming Standards
B. Accessibility
C. Cultural Diversity

### A. Programming Standards

- Section 3(1)(g) of the *Broadcasting Act* (the Act) states that the programming originated by broadcasting undertakings should be of high standard. The Commission is required, however, to balance the achievement of this objective against the requirement to apply the Act in a manner consistent with freedom of expression and journalistic, creative and programming independence enjoyed by broadcasting undertakings as set out in Section 2(3) of the Act. Section 3(1)(h) of the Act states that the broadcasters themselves have a responsibility for the programs they broadcast.

- A key mechanism for achieving the high standard objective is through self-regulation. The industry must abide by the following industry codes[1], some of which apply as a result of the Commission's regulations, some by condition of licence and some as a result of membership in the Canadian Broadcast Standards Council (CBSC), Advertising Standards Canada (ASC) or the Cable Television Standards Council (CTSC):

  - Code for Broadcast Advertising of Alcoholic Beverages
  - Canadian Association of Broadcasters (CAB) Code of Ethics
  - Radio-Television News Directors Association of Canada (RTNDA Canada) Code of Ethics
  - CAB Sex-Role Portrayal Code for Television and Radio Programming
  - CBC Guidelines on Sex-Role Portrayal
  - CAB Voluntary Code Regarding Violence in Television Programming
  - Pay Television and Pay-Per-View Programming Code Regarding Violence
  - Industry Code of Programming Standards and Practices Governing Pay, Pay-Per-View and Video-On-Demand Services
  - Broadcast Code for Advertising to Children
  - Advertising Standards Canada (ASC) Canadian Code of Advertising Standards
  - Cable Television Community Channel Standards
  - Cable Television Customer Service Standards

- In 2001/2002, the Commission asked the industry to revise and update the Pay Television Standards and Practices in order to more effectively address the broadcast

[1] Links to these codes are available on the Commission's website under Industries at a Glance: www.crtc.gc.ca

of adult programming on pay, pay-per-view (PPV) and video-on-demand (VOD) services. The revised *Industry Code of Programming Standards and Practices Governing Pay, Pay-Per-View and Video-on-Demand Services* was approved by the Commission in March 2003[2]. The revised Code includes a comprehensive section specifically addressing adult programming including clear guidance for broadcasters regarding the classification and scheduling of adult films.

- In addition to announcing the new code, the P.N. 2003-10 noted that the Commission expects all pay, PPV and VOD licensees that distribute adult programming to develop internal policies for broadcast to be submitted at licence renewal or in the event of a complaint.

- In July 2002, the CAB's revised *Code of Ethics* came into effect. The Code of Ethics was revised to make it clearer for both the industry and the public, in terms of both its consistency with other codes to which the industry must adhere and in terms of modernizing various aspects to reflect current industry realities and community standards. The Code provides guidance for broadcasters in their daily programming activities and is used by the CBSC when administering complaints against broadcasters.

- The Commission frequently receives requests for information, comment on procedural issues and complaints from the public, via e-mail, telephone and letter. The following table outlines the overall number of contacts from the public and provides a breakdown of contacts related to broadcasting matters in general and broadcasting complaints that the Commission received from 1 September 2001 to 31 August 2003. In the broadcast year 2002/2003, there was a small decline in the number of complaints received from that of the previous year.

**Number of Contacts by Public**

| | 1 September 2001-31 August 2002 | 1 September 2002-31 August 2003 |
|---|---|---|
| Overall contacts by public | 58,487 | 53,382 |
| Broadcasting matters only | 26,881 | 24,770 |
| Broadcasting complaints only | 12,425 | 11,581 |

Source: CRTC Correspondence Tracking System

- The following table provides representative samples of the types of broadcasting complaints that the CRTC received during the same time periods, with respect to radio, television, specialty, pay and PPV services. The table also provides the number of referrals that were made by the CRTC to the CBSC for complaints which fell within the CBSC's mandate.

[2] *Industry Code of Programming Standards and Practices Governing Pay, Pay-Per-View and Video-On-Demand Services*, Public Notice CRTC 2003-10, 6 March 2003.

## Broadcasting Complaints by Sector, by Issue

| Topic | 1 September 2001 – 31 August 2002 | | 1 September 2002 – 31 August 2003 | |
|---|---|---|---|---|
| | Complaints received | Referrals to CBSC | Complaints received | Referrals to CBSC |
| Abusive comment[3] | 85 | 29 | 148* | 57 |
| Adult content | 66 | 21 | 46 | 23 |
| Alcohol advertising | 2 | 0 | 0 | 0 |
| Gender portrayal | 5 | 2 | 39 | 27 |
| Offensive comment[4] | 241 | 56 | 408* | 255 |
| Offensive language[5] | 71 | 29 | 74 | 24 |
| Abusive comment | 39 | 8 | 87 | 31 |
| Adult content | 360 | 101 | 303 | 145 |
| Alcohol advertising | 23 | 0 | 19 | 3 |
| Gender portrayal | 17 | 3 | 51 | 32 |
| Offensive comment | 214 | 55 | 203 | 62 |
| Offensive language | 103 | 41 | 91 | 59 |
| Television violence | 83 | 22 | 84 | 27 |
| Abusive comment | 4 | 1 | 25 | 18 |
| Adult content | 145 | 65 | 110 | 59 |
| Alcohol advertising | 0 | 0 | 4 | 0 |
| Gender portrayal | 3 | 0 | 6 | 4 |
| Offensive comment | 38 | 28 | 35 | 19 |
| Offensive language | 19 | 11 | 15 | 7 |
| Television violence | 13 | 8 | 12 | 9 |
| Abusive comment | 5 | 0 | 0 | 0 |
| Adult content | 8 | 0 | 11 | 0 |
| Alcohol advertising | 0 | 0 | 0 | 0 |
| Gender portrayal | 0 | 0 | 0 | 0 |
| Offensive comment | 87 | 0 | 0 | 0 |
| Offensive language | 2 | 0 | 0 | 0 |
| Television violence | 1 | 0 | 1 | 0 |

Source: CRTC Correspondence Tracking System

* Note – the large increase in complaints in these areas was due mainly to the number of complaints against a radio broadcaster about its broadcast of offensive remarks or language in its spoken word content. The Commission is currently dealing with this matter.

- The CBSC[7] administers specific codes of broadcast conduct and provides a means of recourse for members of the public regarding the application of these standards. These codes include:

[3] Where a complaint alleges that hatred was incited on-air against one of the groups identified in the Television, Radio, and Specialty Regulations.

[4] Where a complaint alleges offensive humour or other comments that do not fall under the "abusive comment" definition referred to in footnote 3.

[5] Where a complaint alleges offensive song lyrics or on-air profanity.

[6] Note that none of the Pay and Pay-Per-View services are CBSC members so there are no referrals to the CBSC.

[7] www.cbsc.ca

- CAB Code of Ethics
- CAB Voluntary Code Regarding Violence in Television Programming
- CAB Sex-Role Portrayal Code for Radio and Television Programming
- RTNDA Canada Code of Ethics

- The CRTC deals with complaints that are related to non-member broadcasters or deal with issues which do not fall within the parameters of the Codes administered by the CBSC.

**Complaints Handled by the CBSC**

| | 2001/02 | 2000/01 | 1999/00 | 1998/99 | 1997/98 |
|---|---|---|---|---|---|
| Files handled by the CBSC | 924 | 873 | 620 | 1097 | 1212 |
| Referred by the CRTC | 635 | 443 | 283 | 795 | 977 |

Source: CBSC Annual Reports 2001/02, 2000/01, 1999/00, 1998/99, 1997/98

- It is important to note that, while not a censor, the Commission is always the final arbiter for matters regarding programming standards. Viewers and listeners may always ask the Commission to consider their complaints either directly, or where they are not satisfied with the results of the self-regulatory process.

- The CBSC files annual reports about its activities with the Commission.

- ASC[a] is a not-for-profit industry body committed to creating and maintaining community confidence in advertising. ASC responds to advertising complaints from consumers and special interest groups for all media under the Canadian Code of Advertising Standards, the principal instrument of advertising self-regulation. It receives complaints directly from consumers, the CRTC, the CBSC, other organizations such as the Better Business Bureau, and various government departments and agencies. In addition, ASC undertakes pre-clearance functions in five industry categories based on applicable legislation, regulations, and/or industry codes and guidelines.

**Complaints Handled by ASC**

| | 2002 | 2001 | 2000 | 1999 | 1998 | 1997 |
|---|---|---|---|---|---|---|
| Complaints received by ASC | 1828 | 1164 | 1143 | 1075 | 828 | 598 |
| Complaints about television ads | 591 (32%) | 549 (47%) | 595 (52%) | 554 (51%) | 371 (45%) | 185 (31%) |
| Complaints about radio ads | 50 (2.7%) | 57 (5%) | 48 (4%) | 51 (5%) | 28 (3%) | 30 (5%) |

Source: Ad Complaints Reports 2002, 2001, 2000, 1999, 1998, 1997

[a] www.adstandars.com

- The CTSC[9] deals with complaints with respect to cable service, such as concerns about quality of service, billing, etc. For the 2002/2003 broadcast year, the CTSC processed 1,151 complaints, approximately 36% of which were referred to the CTSC from the CRTC.

## B. Accessibility

- Section 3(1)(p) of the Act states that "programming accessible by disabled persons should be provided within the Canadian broadcasting system as resources become available for the purpose".

- Access for persons who are deaf or hearing impaired is provided through closed captioning (CC): the on-screen textual representation of the audio component of a program, which is presented as a banner at the bottom of the screen, showing on-screen dialogue and selected sounds in text form.

- The Commission generally requires English-language conventional and specialty services to caption 90% of their programming (100% of news), by condition of licence.

- With regard to French services, *Building on Success – A Policy Framework for Canadian TV*, P.N. CRTC 1999-97, 11 June, 1999 stated that French-language broadcasters should have requirements similar to English broadcasters. These levels are being gradually implemented at individual licence renewals.

- The Commission also expects licensees to focus on improving the quality, reliability and accuracy of closed captioning, and to work with representatives of the deaf and hard of hearing community to ensure that captioning continues to meet their needs.

- The Commission notes that the CAB has developed a Closed Captioning Manual which it encourages its English-language broadcasters to use.

- In addition, the CBC/SRC has developed *The CBC Captioning Style Guide* and the *Normes de sous-titrage* which its services use.

- Access for persons who are blind or visually impaired is provided through:
  - audio description
  - described video programming

[9] www.ctsc.com

- **Audio description** is the provision of basic voice-overs of textual or graphic information displayed on screen. The Commission expects licensees to provide audio description wherever appropriate.

- **Described video** programs have narrated descriptions of key visual elements that are timed to occur during lapses in dialogue. Description is normally provided on the second audio program (SAP) channel.

- Major conventional stations
  - expected to broadcast described versions of programming wherever available.
  - required by condition of licence to describe a minimum amount of Canadian programming generally starting at 2 hours per week and eventually reaching 4 hours per week.

- Pay and specialty services (renewed since 2001)
  - expected to broadcast described versions of programming wherever available.

- VoicePrint and La Magnétothèque are national reading services which were licensed in 1990 to provide programming of benefit to persons who are blind, visually-impaired or print-restricted. These services provide full-text reading of stories, information, news and features published by a variety of newspapers, magazines and periodicals.

- VoicePrint has mandatory carriage in English markets pursuant to section 9(1)(h) of the Act[10]. Cable companies distributing VoicePrint on an analog basis distribute it on CBC Newsworld's SAP channel. Multipoint distribution system (MDS) licensees, direct-to-home (DTH) satellite distributors and cable companies distributing Voiceprint on a digital basis, distribute it on an audio channel located near a CBC channel.

## C. Cultural Diversity

- The Commission's objective with regard to cultural diversity is to ensure all broadcasters contribute to a system that accurately reflects the presence in Canada of cultural, ethnic and racial minorities and Aboriginal peoples. Consistent with Section 3(1)(d)(iii) of the Act, the Canadian broadcasting system should, through its programming and the employment opportunities arising out of its operations, serve the needs and interests, and reflect the circumstances and aspirations of Canadians, including the linguistic duality, the multicultural and multiracial nature of Canadian society and the special place of Aboriginal peoples within that society. Accordingly, the Commission expects all licensees to reflect the diversity of the markets they serve.

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[10] In its application for renewal in 2002, Voiceprint proposed a rate increase. The Commission's decision will be released in Fall/Winter 2003-04.

- The Commission has identified two clear objectives for the Canadian broadcasting system with respect to cultural diversity[11]:

  - The broadcasting system should be a mirror in which all Canadians can see themselves.

  - The broadcasting system should be one in which producers, writers, technicians and artists from different cultural and social perspectives have the opportunity to create a variety of programming and to develop their skills.

- In practical terms, the Commission's objectives are to ensure:

  - the accurate reflection of the presence ("who we see" and "who we hear") of cultural and racial minorities and Aboriginal peoples, and

  - the accurate, fair and non-stereotypical portrayal ("how we see" and "how we hear") of such groups.

- The Commission is achieving its objectives by:

  - Licensing a range of services dedicated to serving specific communities, such as:
    - over-the-air ethnic radio and television services
    - ethnic specialty and pay services
    - native radio and television undertakings
    - Aboriginal Peoples Television Network (APTN)

  - Requiring broadcasters to describe their plans and activities with respect to the equitable employment[12] and on-air representation of the following four designated groups: visible minorities, Aboriginal persons, women and persons with disabilities.

  - **Requiring corporate plans for cultural diversity**[13]: As of August 2001, the Commission asks television licensees to develop and file detailed corporate plans that include specific commitments to corporate accountability, the reflection of diversity in programming, and the solicitation of effective feedback from viewers. As of 1 October 2003, fourteen plans have been received from:
    - CTV Television Inc. (CTV)
    - Global Communications Limited (Global)
    - Groupe TVA inc.(TVA)
    - Corus Premium Television Ltd.
    - Astral Broadcasting Group Inc.
    - MusiquePlus inc.
    - Vision TV
    - Pelmorex Communications Inc.
    - Rogers Broadcasting Limited (OMNI.1 & OMNI.2)
    - CHUM Limited (CHUM)

---

[11] Building on Success – A Policy Framework for Canadian Television, P.N. CRTC 1999-97, 11 June, 1999.
[12] Licensees with 100+ employees report on employment equity directly to HRDC.
[13] Broadcasters' corporate plans for cultural diversity are available on the corporate public files.

- Craig Broadcasting Systems Inc. and Craig Broadcast Alberta Inc.
- Cable Public Affairs Channel Inc. (CPAC)
- Learning & Skills Television of Alberta Limited (ACCESS)
- Consortium de télévision Québec Canada inc. (TV5)

- Requiring that licensees file annual reports outlining progress made to achieve the stated goals and new initiatives undertaken in these corporate plans.

- Meeting in February 2003, the three largest private broadcasters, CTV, Global and TVA, to review and discuss their progress to date in creating and implementing their corporate plans.

- Requiring that the CBC include in its annual reports a description of how the CBC is fulfilling its commitment to more adequately reflect the multicultural and multiracial nature of Canada and to balance the representation of these groups on air in a manner that realistically reflects their participation in Canadian society, and that will help to counteract negative stereotypes.

- **Calling for a cultural diversity task force:** In *Representation of cultural diversity on television – Creation of an industry/community task force*, Public Notice CRTC 2001-88, 2 August 2001, the Commission called for a joint industry/community task force to sponsor research, identify best practices, and help define the issues and present practical solutions to ensure that the entire Canadian broadcasting system reflects all Canadians. Accordingly, the Task Force for Cultural Diversity on Television was formed by the Canadian Association of Broadcasters. The Task Force is currently undertaking a landmark quantitative and qualitative study of the state of representation on Canadian television. Results of the study are expected in 2004.

- Encouraging broadcasters in *Commercial Radio Policy* 1998, Public Notice CRTC 1998-41, 30 April 1998, to reflect the cultural diversity of Canada in their programming and employment practices, especially with respect to news, music and promotion of Canadian artists.

- Initiating discussions with applicants about cultural diversity in radio broadcasting at competitive licensing hearings.

## A. Internet Use

**Personal Computer Ownership Rates of Canadian Households**

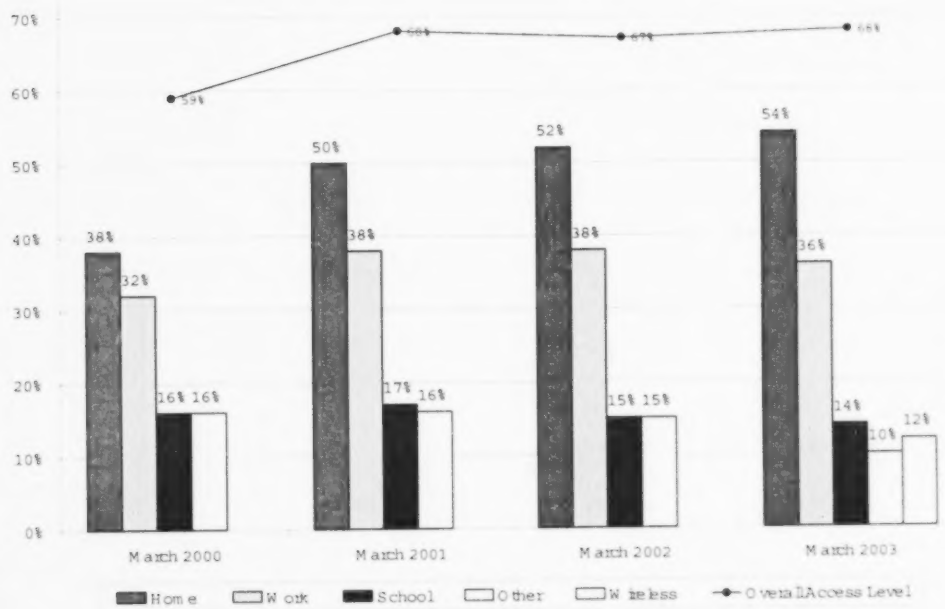
| | 1998 | 1999 | 2000 | 2001 | 2002 | 2003 |
|---|---|---|---|---|---|---|
| Household PC Ownership Rate | 49% | 53% | 55% | 63% | 64% | 64% |

Source: Cyber Trends Spring Edition, March of 1998-2003, ComQUEST Research Inc.

- Income was a determining factor in computer ownership. In March, 2003, 88% of households with an income of over $80,000 owned computers while 31% of households with an income of under $20,000 owned computers.
- Overall personal computer ownership rates have remained constant since 2001.

### a) Internet Access by Location

**Internet Access by Location**




Source: Cyber Trends, ComQUEST Research Inc.

- Overall Internet access levels have remained constant since 2001.
- While just over half of Canadians continued to have access to the Internet at home, the percentage of those with access at work, school or other locations decreased slightly between 2002 and 2003.
- The decline in the "Other" category for 2003 can be partially explained by the addition of a new and separate category, wireless Internet access, specifically access via pagers, cell-phones or personal digital assistants. In March, 2003, 12% of respondents reported having wireless Internet access.

## b) Internet Access in Canadian Households

### Table 6.2 Internet Access by Household Income (%)

| Income ($ 000) | Home | | | Work | | | School | | | Overall | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | March 2001 | March 2002 | March 2003 | March 2001 | March 2002 | March 2003 | March 2001 | March 2002 | March 2003 | March 2001 | March 2002 | March 2003 |
| < 20 | 22 | 22 | 25 | 15 | 7 | 11 | 17 | 14 | 14 | 44 | 36 | 36 |
| 20-40 | 36 | 42 | 42 | 26 | 26 | 24 | 13 | 12 | 13 | 56 | 58 | 56 |
| 40-60 | 55 | 62 | 62 | 41 | 44 | 38 | 15 | 10 | 13 | 77 | 79 | 77 |
| 60-80 | 67 | 70 | 72 | 52 | 57 | 55 | 13 | 20 | 15 | 81 | 86 | 88 |
| 80 < | 81 | 78 | 82 | 70 | 67 | 67 | 25 | 22 | 17 | 93 | 89 | 93 |
| All | 50 | 52 | 54 | 38 | 38 | 36 | 17 | 15 | 14 | 68 | 67 | 68 |

Source: Cyber Trends, ComQUEST Research Inc.

- As with computer ownership, lower income groups continue to be the least likely to have access to the Internet.

### Table 6.3 Internet Access by Education (%)

| Education | Home | | | Work | | | School | | | Overall | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | March 2001 | March 2002 | March 2003 | March 2001 | March 2002 | March 2003 | March 2001 | March 2002 | March 2003 | March 2001 | March 2002 | March 2003 |
| > High School | 22 | 21 | 23 | 8 | 8 | 6 | 10 | 6 | 6 | 31 | 28 | 30 |
| High School | 41 | 42 | 45 | 23 | 25 | 22 | 15 | 13 | 8 | 59 | 60 | 59 |
| Some College / University | 58 | 62 | 64 | 43 | 44 | 40 | 21 | 21 | 23 | 81 | 79 | 80 |
| Post Secondary | 64 | 70 | 71 | 55 | 55 | 57 | 21 | 17 | 12 | 83 | 86 | 87 |
| Post Graduate | 70 | 73 | 75 | 72 | 70 | 67 | 18 | 20 | 25 | 89 | 87 | 87 |
| All | 50 | 52 | 54 | 38 | 38 | 36 | 17 | 15 | 14 | 68 | 67 | 68 |

Source: Cyber Trends, ComQUEST Research Inc.

- Access to the Internet increases with the level of education.

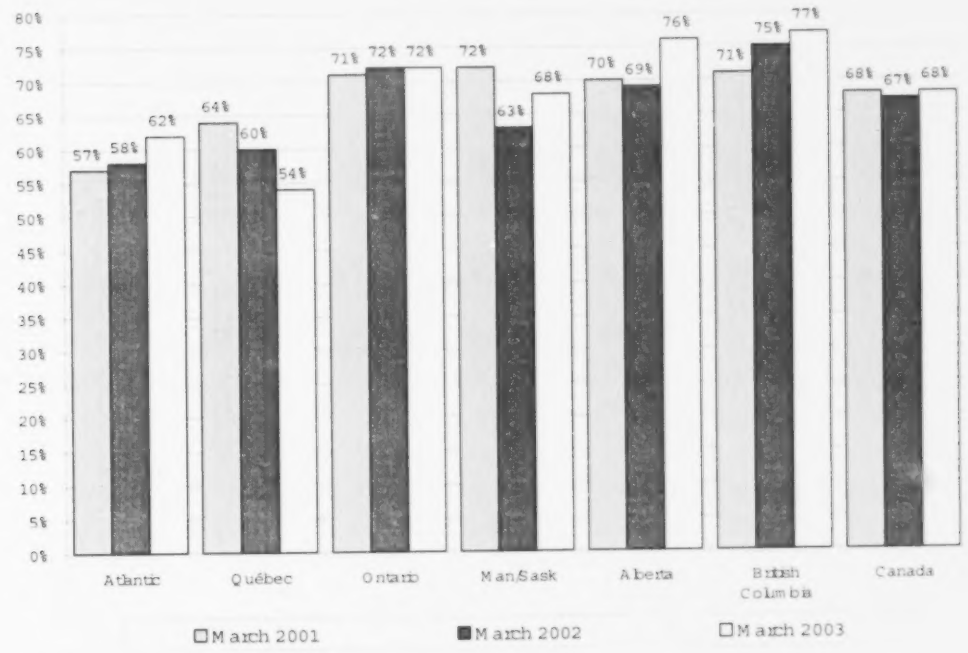
## Internet Access by Age of Head of Household (%)

| Age | Home | | | Work | | | School | | | Overall | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | March 2001 | March 2002 | March 2003 | March 2001 | March 2002 | March 2003 | March 2001 | March 2002 | March 2003 | March 2001 | March 2002 | March 2003 |
| 18-34 | 56 | 62 | 68 | 41 | 43 | 47 | 34 | 30 | 35 | 83 | 85 | 89 |
| 35-44 | 65 | 66 | 66 | 49 | 52 | 52 | 17 | 16 | 13 | 80 | 83 | 84 |
| 45-54 | 56 | 60 | 67 | 50 | 52 | 44 | 15 | 17 | 8 | 74 | 76 | 76 |
| 55-64 | 54 | 40 | 45 | 31 | 23 | 28 | 5 | 3 | 6 | 58 | 48 | 58 |
| 65+ | 17 | 20 | 22 | 3 | 4 | 5 | 0 | 0 | 1 | 22 | 26 | 26 |
| All | 50 | 52 | 54 | 38 | 38 | 36 | 17 | 15 | 14 | 68 | 67 | 68 |

Source: Cyber Trends, ComQUEST Research Inc.

- As a new medium, the Internet has been more readily adopted by younger households. A household whose head is between 18 and 34 is over three times more likely to have Internet access than one whose head is 65 or over.

## Penetration Rates by Region



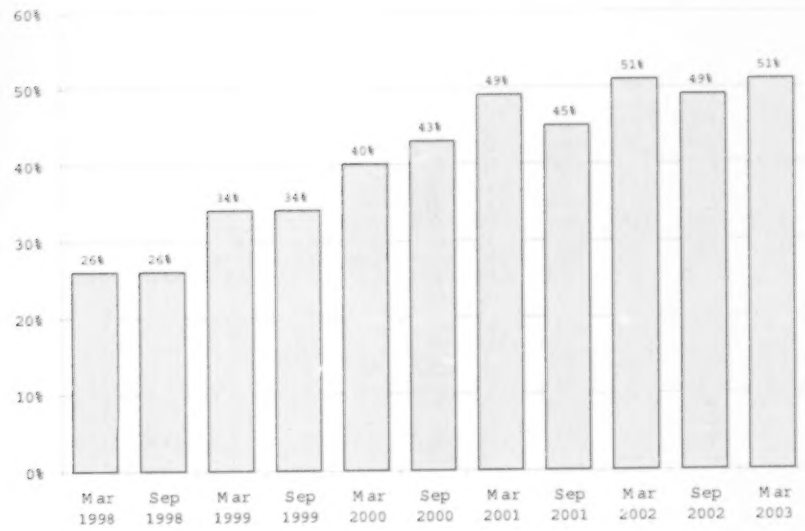

Source: Cyber Trends, ComQUEST Research Inc.

- Internet access levels appear to have generally levelled off nationally, although they continue to fluctuate for certain provinces.

- The decrease in Québec can be attributed to a number of factors. Home ownership of computers has declined from 59% in 2001 to 56% in 2003. In addition, 54% of Québec residents without Internet access stated that they had no interest or need for it, the highest such percentage across the country.

## c) Frequency and Duration of Internet Use

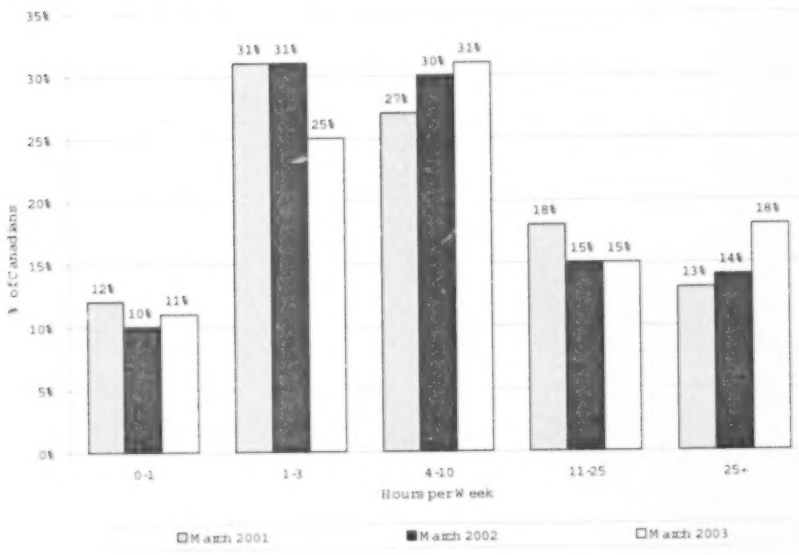
Chart 6.3 % of all Canadian Adults Using the Internet in a Given Week




Source: Cyber Trends, ComQUEST Research Inc.

- As of March 2003, 51% of Canadians reported using the Internet at least once a week, a level that has remained relatively consistent since March 2001.

Chart 6.4 Time Spent by Canadian Adults with Internet Access on the Internet in a Given Week

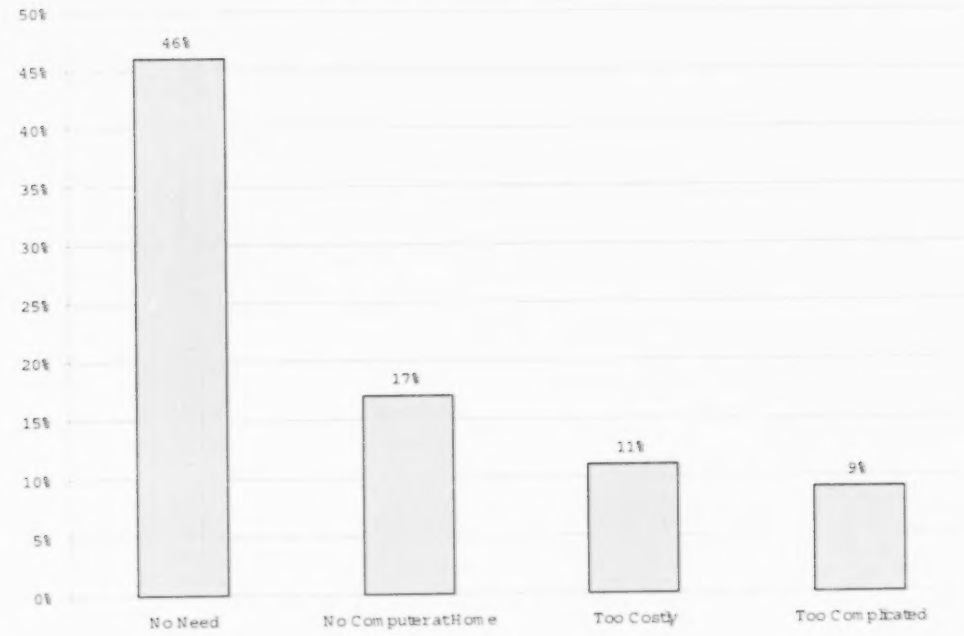



Source: Cyber Trends, ComQUEST Research Inc.

- In March of 2003 the average Canadian with Internet access connected to the Internet 19 times a week for an average of 15 hours of Internet use a week. These figures represent a significant increase over the previous two years when the average Canadian with Internet access connected to the Internet 13 times a week for an average of 12 hours of Internet use a week.

### d) Profile of Canadians Without Internet Access

**Chart 6.5 Major Reasons for not Having Access to the Internet (March 2003)**




Source: Cyber Trends, ComQUEST Research Inc.

- The number of Canadians not using the Internet who cite lack of need or interest as their reason has increased from 38% in 2001 to 46% in 2003.
- Cost is decreasingly a deterrent, with only 11% of Canadian households not having Internet access due to cost in March of 2003, compared to 15% of Canadian households in March of 2001.

## e) Internet Activities

### Table 6.5: On-line Activities of Canadians, March 2001, 2002 & 2003

| Activity | % of Canadian Adults who Connected to the Internet once a Month | | | | | |
|---|---|---|---|---|---|---|
| | Most of the Time | | | Some of the Time | | |
| | 2001 | 2002 | 2003 | 2001 | 2002 | 2003 |
| E-Mail | 67 | 69 | 71 | 22 | 21 | 17 |
| Specific sites of interest | 62 | 58 | 61 | 27 | 32 | 29 |
| Search for specific information | 58 | 52 | 55 | 31 | 39 | 37 |
| Research information on services / products | | 25 | 29 | | 51 | 47 |
| Surf or browse | 19 | 21 | 28 | 37 | 41 | 38 |
| Download / Listen to music | 13 | 13 | 16 | 22 | 19 | 24 |
| Downloading files or software | 12 | 12 | 15 | 30 | 34 | 31 |
| Chat | 5 | 5 | 8 | 12 | 9 | 11 |
| Online Gaming | 5 | 3 | 6 | 8 | 8 | 7 |
| Watch video | 2 | 1 | 4 | 17 | 14 | 18 |
| Listen to radio | 4 | 3 | 4 | 12 | 11 | 12 |
| Shop on-line | | 2 | 2 | | 14 | 17 |

Source: Cyber Trends, ComQUEST Research Inc.

- The trend towards using the Internet for downloading/listening to music, watching videos and listening to the radio is gradually increasing.

- High-speed Internet users take advantage of faster data transfer rates, spending more time than dial-up users on bandwidth-intensive activities.

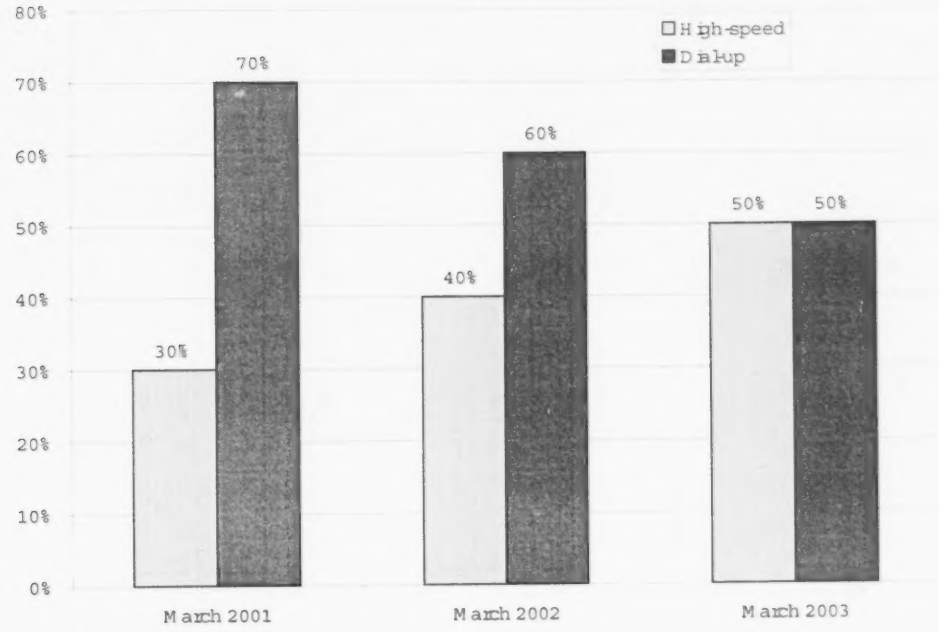
### Table 6.6: On-Line Activities of High-Speed Users vs. Dial-up Users – March 2003

| Activity | Use Most or Some of the Time | |
|---|---|---|
| | High Speed | Dial-up |
| Download / Listen to music | 53% | 32% |
| Downloading files or software | 54% | 46% |
| Chat | 26% | 16% |
| Watch video | 29% | 17% |
| Listen to radio | 20% | 12% |
| Shop on-line | 25% | 16% |

Source: Cyber Trends, ComQUEST Research Inc.

## f) Type of Internet Access Used at Home

### Chart 6.6 Dial-up and High-speed Internet Access at Home




Source: Cyber Trends, ComQUEST Research Inc.

- High-speed Internet access has risen from 30% of all homes with Internet access in March 2001 to 50% in March 2003.

## g) The Canadian Internet Service Provider (ISP) Industry

### Table 6.7 Residential Subscribers of the Largest ISPs

| | Dial-up subscribers (000) | | | High-speed subscribers (000) | | | Total subscribers (000) | | |
|---|---|---|---|---|---|---|---|---|---|
| | 2001 | 2002 | 2003 | 2001 | 2002 | 2003 | 2001 | 2002 | 2003 |
| Bell [1] | 968 | 1,031 | 911 | 529 | 909 | 1,287 | 1,497 | 1,940 | 2,198 |
| Cybersurf (3web) [2] | 600 | - | - | - | - | - | 600 | - | - |
| Telus [3] | 440 | 432 | 352 | 127 | 326 | 469 | 567 | 758 | 821 |
| Shaw [4] | - | - | - | 509 | 758 | 881 | 509 | 758 | 881 |
| Rogers [5] | - | - | - | 379 | 541 | 755 | 379 | 541 | 755 |
| AOL (Compuserve) [6] | 350 | 450 | - | - | - | - | 350 | 450 | - |
| Québecor (Vidéotron) [7] | - | - | - | 183 | 265 | 379 | 183 | 265 | 379 |
| Look [8] | 169 | 96 | 83 | 9 | 3 | 3 | 178 | 99 | 86 |
| AT&T [9] | 175 | - | - | - | - | - | 175 | - | - |
| Sprint [10] | 116 | 85 | - | - | - | - | 116 | 85 | - |
| Inter.net [11] | - | 100 | - | - | - | - | - | 100 | - |
| Cogéco [12] | - | - | - | 101 | 154 | 196 | 101 | 154 | 196 |
| Technovision (Uniserve) [13] | 60 | - | - | 1 | - | - | 61 | - | - |
| TOTAL | 2,878 | 2,194 | 1,346 | 1,838 | 2,956 | 3,970 | 4,716 | 5,150 | 5,316 |

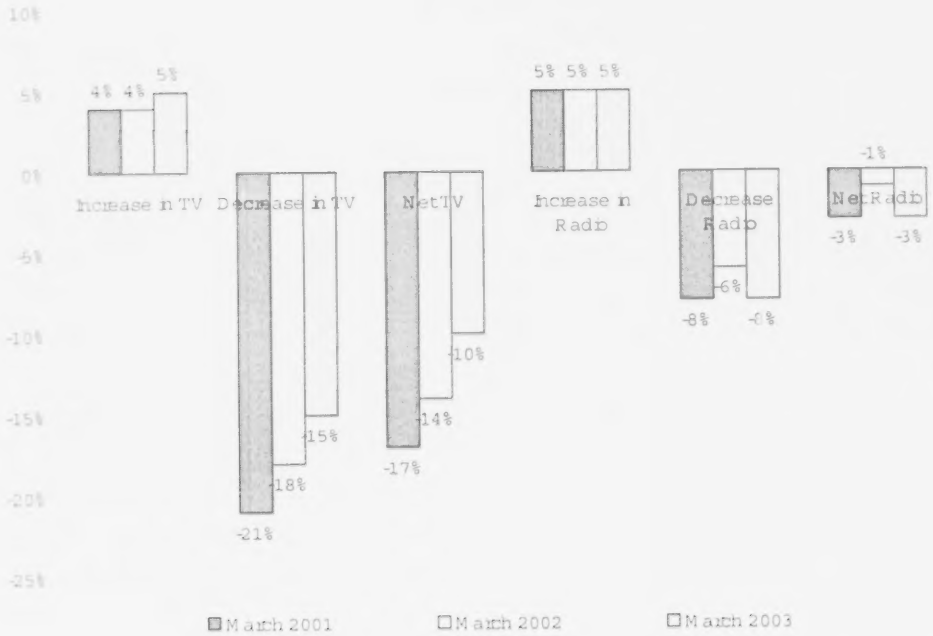
Sources: Quarterly financial reports, corporate press releases

Notes:
1. Bell: June 30, 2001, June 30, 2002, June 30, 2003
2. Cybersurf (Sweb): June 30, 2001
3. Telus: June 30, 2001, June 30, 2002, June 30, 2003
4. Shaw: May 31, 2001, May 31, 2002, May 31, 2003
5. Rogers: June 30, 2001, June 30, 2002, September 30, 2003
6. AOL (Compuserve): June 30, 2001, July 31, 2002
7. Quebecor (Videotron): June 30, 2001, June 30, 2002, September 30, 2003
8. Look: March 31, 2001, June 30, 2002, December 31, 2002
9. AT&T: June 30, 2001
10. Sprint: June 30, 2001, June 30, 2002
11. Internet: June 30, 2002
12. Cogeco: May 31, 2001, May 31, 2002, May 31, 2003
13. Technovision (Uniserve): June 30, 2001

- In 2003 Bell dominated the Canadian ISP market, with 911,000 dial-up subscribers and just under 1.3 million high-speed subscribers.

- Cybertrends has reported that Internet use has in some instances influenced Canadians to decrease or increase their use of broadcast media. Overall, there has been a net decrease in the use of broadcast media, particularly television, commensurate with an increase in Internet use.

**% of Canadians Reporting an Effect of Internet Use on Broadcast Media**




Source: Cyber Trends, ComQUEST Research Inc.

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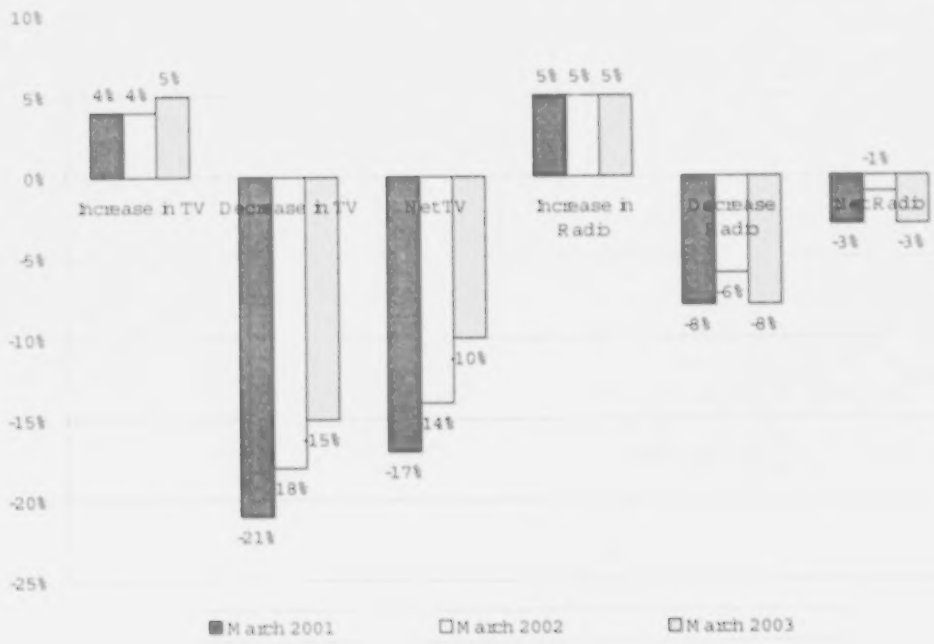


Source: Cyber Trends, ComQUEST Research Inc.

- 39% of Canadian households with Internet access have a TV in the same room as the computer.
- Of the above households, 20% watch TV while using the Internet.
- The UCLA Internet Report of January 29, 2003[1], found that Internet users in the United States spent less time watching TV. In 2002 Internet users watched on average 11.2 hours of television per week, compared with 16.0 hours for non-users.
- The UCLA report also found that Internet users listen to slightly less radio per week than non-users, 7.8 versus 8.8 hours respectively.

**Listening to Radio via the Internet**

| Fall Survey | Total hours tuned via the internet (000) | Share of total tuning (%) |
|---|---|---|
| 1997 | 8 | 0.0 |
| 1998 | 94 | 0.0 |
| 1999 | 279 | 0.1 |
| 2000 | 454 | 0.1 |
| 2001 | 634 | 0.1 |
| 2002 | 942 | 0.2 |

Source: MicroBBM, Fall 1997 to Fall 2002

- While the total number of hours spent listening to the radio via the Internet has increased substantially since 1997, total listening to the radio via the Internet accounted for just 0.2% of all radio tuning in the fall of 2002.

- Internet advertising revenues in Canada declined by almost 20% in 2002 to $116 million, representing 2% of overall advertising revenues in Canada. [2]
- As of March 2003, 74% of Canadian weekly Internet users recalled having seen an ad on the Internet during the past week. Only 12% actually clicked on an ad, compared to the previous year's click-through rate of 11%.[3]
- As of March 2003, 27% of Canadians adults reported having made an on-line purchase, an increase over the previous year's figure of 24%. The average on-line shopper spent $1,030 over the year.
- The most popular types of products purchased on-line in 2003 were: books (27%), computer software (14%), clothing (14%), travel services (12%) and music/audio CD's (12%).

[1] The UCLA Internet Report – "Surveying the Digital Future", UCLA Center for Communication Policy, http://www.ccp.ucla.edu
[2] Carat Expert
[3] Cyber Trends, ComQUEST Research Inc.

- Retail stores are still the favourite destination of 90% of Canadians with Internet access. Only 12% preferred to shop on-line.

- More than three-quarters (76%) of Canadians with Internet access used the Internet to research product information. Those who researched specific products on-line purchased them over the Internet 21% of the time.

# Glossary

| | |
|---|---|
| ASC | Advertising Standards Canada (website: www.adstandards.com) |
| BBM | Bureau of Broadcast Measurement (website: www.bbm.ca) |
| BDU | Broadcasting distribution undertaking |
| Cancom | Canadian Satellite Communications Inc. |
| CAB | Canadian Association of Broadcasters (website: www.cab-acr.ca) |
| Cancon | Canadian content |
| CBC | Canadian Broadcasting Corporation (Société Radio Canada) |
| CBSC | Canadian Broadcast Standards Council (website: www.cbsc.ca) |
| CC | Closed captioning |
| CCTA | Canadian Cable Television Association (website: www.ccta.com) |
| CPE | Canadian programming expenditures |
| CRTC | Canadian Radio-television and Telecommunications Commission (website: www.crtc.gc.ca) |
| CTF | Canadian Television Fund (website: www.canadiantelevisionfund.ca) |
| CTD | Canadian Talent Development |
| CTSC | Cable Television Standards Council (website: www.ctsc.ca) |
| DRU | Digital radio undertaking |
| DTH | Direct-to-home |
| DTH PPV | Direct to home pay-per-view service |
| E ( e ) | English-language |
| F ( f ) | French-language |
| FDB | Financial data base |
| ISP | Internet service provider |
| MDS | Multipoint distribution systems |
| MUD | Multiple unit dwellings |
| NFA | Net fixed assets |
| O ( o ) | Other language(s) |
| Pay | Pay television service |
| PPV | Pay-per-view service |
| RANFA | Return on average net fixed assets |
| ROI | Return on investment |
| SAP | Second audio program |
| SRC | Société Radio-Canada (Canadian Broadcasting Corporation) |
| SRDU | Satellite relay distribution undertaking |
| VOD | Video on demand |